

1-1 AN ACT
1-2 relating to the development and management of the water resources
1-3 of the state, including the ratification of the creation of
1-4 certain
1-4 groundwater conservation districts; providing penalties.
1-5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-6 ARTICLE 1. TEXAS WATER ADVISORY COUNCIL
1-7 SECTION 1.01. Subtitle A, Title 2, Water Code, is amended
1-8 by
1-8 adding Chapter 9 to read as follows:
1-9 CHAPTER 9. TEXAS WATER ADVISORY COUNCIL_
1-10 Sec. 9.001. DEFINITIONS. In this chapter:_
1-11 (1) "Authority" means an entity listed in Section_
1-12 9.010(b)._
1-13 (2) "Board" means the governing body of an
1-14 authority._
1-14 (3) "Commission" means the Texas Natural Resource_
1-15 Conservation Commission._
1-16 (4) "Conjunctive use" means the combined use of_
1-17 groundwater and surface water sources that optimizes the
1-18 beneficial_
1-18 characteristics of each source._
1-19 (5) "Council" means the Texas Water Advisory
1-20 Council._
1-20 Sec. 9.002. CREATION AND MEMBERSHIP. (a) The council_
1-21 consists of 13 members as follows:_
1-22 (1) the chairman, or a board member designated by
1-23 the_
1-23 chairman, of the Texas Water Development Board;_
1-24 (2) the chairman, or a commissioner designated by
1-25 the_
2-1 chairman, of the commission;_
2-2 (3) the chairman, or a commissioner designated by
2-2 the_
2-2 chairman, of the Parks and Wildlife Commission;_
2-3 (4) the commissioner of agriculture;_
2-4 (5) the commissioner of the General Land Office;_
2-5 (6) three members of the house of representatives_
2-6 appointed by the speaker of the house of representatives;_
2-7 (7) two members of the senate appointed by the_
2-8 lieutenant governor; and_
2-9 (8) three members of the general public appointed
2-10 by_
2-10 the governor, one representing groundwater management, one_
2-11 representing surface water management, and one representing
2-12 the_
2-12 environmental community._
2-13 (b) Council members may not delegate participation or_
2-14 council duties to staff._
2-15 Sec. 9.003. TERMS. (a) Except for the commissioner of
2-16 the_
2-16 General Land Office and the commissioner of agriculture,
2-17 council_
2-17 members who are officials of state agencies serve terms as_

2-18 _determined by the chairman of each agency._
2-19 _ (b) Council members who are members of the general
public_
2-20 _serve staggered six-year terms with the term of one member
expiring_
2-21 _August 31 of each odd-numbered year._
2-22 _ (c) Council members may be reappointed to serve
additional_
2-23 _terms._
2-24 _ (d) A vacancy on the council shall be filled by
appointment_
2-25 _by the original appointing authority for the unexpired term._
2-26 _Sec. 9.004. OFFICERS OF THE COUNCIL. (a) The governor_
3-1 _shall appoint a council member as the chair of the council for_
a_
3-2 _two-year term expiring May 31 of each even-numbered year._
3-3 _ (b) The council shall have a secretary of the council
who_
3-4 _serves at the pleasure of the council and is accountable only
to_
3-5 _the council._
3-6 _Sec. 9.005. COUNCIL STAFF. On request by the council,
the_
3-7 _commission, the Parks and Wildlife Department, the Department
of_
3-8 _Agriculture, and the Texas Water Development Board shall
provide_
3-9 _any staff other than the secretary of the council necessary to_
3-10 _assist the council in the performance of its duties._
3-11 _Sec. 9.006. MEETINGS. (a) The council shall meet at
least_
3-12 _once in each calendar quarter. Six members constitute a
quorum._
3-13 _ (b) The council is subject to Chapters 551 and 2001,_
3-14 _Government Code._
3-15 _Sec. 9.007. COMPENSATION OF MEMBERS. (a) Members of
the_
3-16 _council serve without compensation but may be reimbursed by_
3-17 _legislative appropriation for actual and necessary expenses
related_
3-18 _to the performance of council duties._
3-19 _ (b) Reimbursement under Subsection (a) is subject to
the_
3-20 _approval of the chair._
3-21 _Sec. 9.008. POWERS AND DUTIES OF COUNCIL. (a) The
council_
3-22 _shall:_
3-23 _ (1) heighten the level of dialogue on significant_
3-24 _water policy issues and, in an advisory role only, strive to_
3-25 _provide focus and recommendations on state water policy_
3-26 _initiatives, including:_
4-1 _ (A) promoting flexibility and incentives for_
4-2 _water desalination, brush control, regionalization, weather_

4-3 _modification projects, and public-private partnerships relating
to_
4-4 _water projects;_
4-5 _ (B) promoting adequate financing for surface_
4-6 _water and groundwater projects;_
4-7 _ (C) development of water conservation and_
4-8 _drought management projects;_
4-9 _ (D) implementation of approved regional and_
4-10 _state water plans;_
4-11 _ (E) encouraging commonality of technical
data_
4-12 _and information such as joint agency studies, freshwater
inflow_
4-13 _recommendations, surface water and groundwater availability
models,_
4-14 _and bay and estuary and instream flow recommendations developed
by_
4-15 _the Parks and Wildlife Department, the commission, and the
Texas_
4-16 _Water Development Board; and_
4-17 _ (F) encouraging the use of supplemental_
4-18 _environmental projects for water infrastructure needs and
enhancing_
4-19 _the aquatic environment and habitat in enforcement proceedings
at a_
4-20 _state agency or political subdivision;_
4-21 _ (2) encourage the enhancement and coordination of_
4-22 _state, interstate, and international efforts to improve_
4-23 _environmental quality and living conditions along the Texas-
Mexico_
4-24 _border;_
4-25 _ (3) coordinate a unified state position on federal
and_
4-26 _international water issues; and_
5-1 _ (4) advise the Texas Water Development Board on_
5-2 _developing criteria for prioritizing the funding of projects in
the_
5-3 _state water plan._
5-4 _ (b) The council may not:_
5-5 _ (1) adopt rules;_
5-6 _ (2) regulate water use, water quality, or any
other_
5-7 _aspect of water resource management;_
5-8 _ (3) plan or construct water resource projects or
have_
5-9 _such projects planned or constructed;_
5-10 _ (4) grant or lend money for the construction of
water_
5-11 _resource projects;_
5-12 _ (5) establish water resource management standards
or_
5-13 _otherwise usurp the authority of or infringe upon the duties,_
5-14 _responsibilities, or powers of local, regional, or state water_
5-15 _management entities, including groundwater districts, river_

5-16 _authorities and compacts, regional water planning groups, or
member_
5-17 _agencies of the council; or_
5-18 _ (6) consider or discuss a specific permit or
project_
5-19 _or recommendation for a project until the water permit has
been_
5-20 _issued by the state and all motions for rehearing have been_
5-21 _overruled._
5-22 _Sec. 9.009. REPORT. Not later than December 1 of each_
5-23 _even-numbered year, the council shall submit a report to the_
5-24 _governor, lieutenant governor, and speaker of the house of_
5-25 _representatives and to the senate and house standing
committees_
5-26 _with primary responsibility over water resource management and_
6-1 _financing. The report must include findings of the council made
in_
6-2 _the periodic reviews of authorities during the preceding two-
year_
6-3 _period and any other findings and recommendations the council_
6-4 _considers necessary._
6-5 _Sec. 9.010. ANALYSIS OF AUTHORITIES. (a) On a five-
year_
6-6 _cycle, each authority shall provide the council with the_
6-7 _information required by Sections 9.011 and 9.012. The
information_
6-8 _shall be provided to the council in the order of groups
described_
6-9 _in Subsection (b), with the information submitted by group 1 by
the_
6-10 _council's first quarterly meeting of the five-year period and
group_
6-11 _2 submitted by the council's third quarterly meeting of the
period._
6-12 _The council shall continue in numerical order to receive the_
6-13 _information by each group at every other quarterly meeting
until_
6-14 _all 10 groups have been completed and then shall recommence
the_
6-15 _cycle._
6-16 _ (b) Authorities shall provide the information under_
6-17 _Subsection (a) in the following groups:_
6-18 _ (1) in group 1, Northeast Texas Municipal Water_
6-19 _District;_
6-20 _ (2) in group 2, Angelina and Neches River
Authority,_
6-21 _Lower Neches Valley Authority, Sabine River Authority, and
Upper_
6-22 _Neches River Municipal Water Authority;_
6-23 _ (3) in group 3, Red River Authority of Texas,
Sulphur_
6-24 _River Municipal Water District, and Sulphur River Basin
Authority;_
6-25 _ (4) in group 4, San Jacinto River Authority, Gulf_

6-26 _Coast Water Authority, and North Harris County Regional Water_
7-1 _Authority;_
7-2 _ (5) in group 5, North Texas Municipal Water
District,_
7-3 _Tarrant Regional Water District, Trinity River Authority of
Texas,_
7-4 _and Dallas County Utility and Reclamation District;_
7-5 _ (6) in group 6, Brazos River Authority, West
Central_
7-6 _Texas Municipal Water District, and North Central Texas
Municipal_
7-7 _Water Authority;_
7-8 _ (7) in group 7, Guadalupe-Blanco River Authority,_
7-9 _Lavaca-Navidad River Authority, Lower Colorado River Authority,
and_
7-10 _Upper Guadalupe River Authority;_
7-11 _ (8) in group 8, Nueces River Authority, San
Antonio_
7-12 _River Authority, and Bexar-Medina-Atascosa Counties Water
Control_
7-13 _and Improvement District No. 1;_
7-14 _ (9) in group 9, Colorado River Municipal Water_
7-15 _District, Central Colorado River Authority, and Upper Colorado_
7-16 _River Authority; and_
7-17 _ (10) in group 10, Canadian River Municipal Water_
7-18 _Authority and Mackenzie Municipal Water Authority._
7-19 _ (c) The council may not require an authority under this_
7-20 _section to submit the information required under Section 9.012
more_
7-21 _than once every five years. The council may, however, request
an_
7-22 _authority that has submitted information to provide follow-up_
7-23 _information on any specific item or issue raised during the_
initial_
7-24 _council analysis._
7-25 _ (d) The council, on a request by an authority, may
modify_
7-26 _the schedule in order to have the flexibility in scheduling
the_
8-1 _information submittal and council analysis, if needed, to be
more_
8-2 _responsive to particular circumstances, changing conditions, or_
8-3 _time-sensitive conflicts._
8-4 _Sec. 9.011. PERFORMANCE STANDARDS. (a) Before its_
8-5 _five-year analysis under Section 9.010, an authority shall
report_
8-6 _to the council a self-assessment of:_
8-7 _ (1) how the authority is achieving its stated
mission_
8-8 _and goals, including an identification of any barriers to
achieving_
8-9 _the mission and goals;_
8-10 _ (2) how the authority is providing service to its_

8-11 _customers, including mechanisms the authority provides to
encourage_
8-12 _input from the public and its customers;_
8-13 _ (3) how the authority is addressing issues raised
by_
8-14 _its most recent management audit, if the audit is required by_
8-15 _commission rule to be performed, including its administrative_
8-16 _policies; and_
8-17 _ (4) the authority's role in the regional water_
8-18 _planning process._
8-19 _ (b) The authority's report to the council under this
section_
8-20 _must include recommendations related to:_
8-21 _ (1) any interregional issues the authority has_
8-22 _identified as problematic and any potential solutions to those_
8-23 _issues; and_
8-24 _ (2) solutions to any barriers the authority
determines_
8-25 _are interfering with the successful implementation of the
approved_
8-26 _regional water plan or state water plan._
9-1 _Sec. 9.012. ADMINISTRATIVE POLICIES FOR AUTHORITIES.
The_
9-2 _commission shall expand the applicability of its rules under 30_
9-3 _T.A.C. Chapter 292 to include all the authorities subject to
this_
9-4 _chapter. The commission shall provide the council with copies
of_
9-5 _the most recent information provided by each authority in_
9-6 _accordance with its administrative rules._
9-7 _Sec. 9.013. GIFTS AND GRANTS. The council may accept
gifts_
9-8 _and grants from any source to carry out the purposes of this_
9-9 _chapter. The use of gifts and grants other than legislative_
9-10 _appropriations is subject only to limitations contained in the
gift_
9-11 _or grant._
9-12 _Sec. 9.014. FUNDING. (a) The interagency water
advisory_
9-13 _account is a special account in the general revenue fund._
9-14 _ (b) The interagency water advisory account consists of_
9-15 _legislative appropriations, gifts and grants received under
Section_
9-16 _9.013, and other money required by law to be deposited in the_
9-17 _account._
9-18 _ (c) Money in the interagency water advisory account may
be_
9-19 _used only as provided by this chapter._
9-20 _Sec. 9.015. CONTINUING RIGHT OF SUPERVISION. Nothing
in_
9-21 _this chapter affects the continuing right of supervision over_
9-22 _authorities by the commission as provided by Section 12.081._
9-23 _Sec. 9.016. PUBLIC PARTICIPATION. The council shall_

9-24 _encourage public input regarding the exercise of its powers
and_
9-25 _duties under Section 9.008, its preparation of the report
described_
9-26 _in Section 9.009, and its analysis of authorities under
Sections_
10-1 _9.010 and 9.011._
10-2 _Sec. 9.017. DISSOLUTION OF COUNCIL AND ACCOUNT. Unless_
10-3 _extended by the 78th Texas Legislature, this chapter and the_
10-4 _interagency water advisory account expire on September 1, 2005._
10-5 ARTICLE 2. SURFACE WATER AND GROUNDWATER
10-6 CONJUNCTIVE MANAGEMENT; REGULATORY INCENTIVES
10-7 SECTION 2.01. Section 11.002, Water Code, is amended by
10-8 adding Subdivisions (11), (12), (13), and (14) to read as
follows:
10-9 _ (11) "River basin" means a river or coastal basin_
10-10 _designated by the board as a river basin under Section 16.051.
The_
10-11 _term does not include waters originating in bays or arms of
the_
10-12 _Gulf of Mexico._
10-13 _ (12) "Agriculture" means any of the following_
10-14 _activities:_
10-15 _ (A) cultivating the soil to produce crops
for_
10-16 _human food, animal feed, or planting seed or for the production
of_
10-17 _fibers;_
10-18 _ (B) the practice of floriculture,
viticulture,_
10-19 _silviculture, and horticulture, including the cultivation of
plants_
10-20 _in containers or nonsoil media, by a nursery grower;_
10-21 _ (C) raising, feeding, or keeping animals
for_
10-22 _breeding purposes or for the production of food or fiber,
leather,_
10-23 _pelts, or other tangible products having a commercial value;_
10-24 _ (D) raising or keeping equine animals;_
10-25 _ (E) wildlife management; and_
10-26 _ (F) planting cover crops, including cover
crops_
11-1 _cultivated for transplantation, or leaving land idle for the_
11-2 _purpose of participating in any governmental program or normal
crop_
11-3 _or livestock rotation procedure._
11-4 _ (13) "Agricultural use" means any use or activity_
11-5 _involving agriculture, including irrigation._
11-6 _ (14) "Nursery grower" means a person who grows
more_
11-7 _than 50 percent of the products that the person either sells or_
11-8 _leases, regardless of the variety sold, leased, or grown. For
the_
the_

11-9 _purpose of this definition, "grow" means the actual cultivation
or_
11-10 _propagation of the product beyond the mere holding or
maintaining_
11-11 _of the item prior to sale or lease and typically includes_
11-12 _activities associated with the production or multiplying of
stock_
11-13 _such as the development of new plants from cuttings, grafts,
plugs,_
11-14 _or seedlings._

11-15 SECTION 2.02. Subsection (a), Section 11.023, Water Code,
is

11-16 amended to read as follows:

11-17 (a) State water may be appropriated, stored, or diverted
11-18 for:

11-19 (1) domestic and municipal uses, including water
for

11-20 sustaining human life and the life of domestic animals;

11-21 (2) _agricultural uses and_ industrial uses,

meaning

11-22 processes designed to convert materials of a lower order of
value

11-23 into forms having greater usability and commercial value,

including

11-24 the development of power by means other than hydroelectric;

11-25 (3) [irrigation;]

11-26 [(4)] mining and recovery of minerals;

12-1 _(4)_ [(5)] hydroelectric power;

12-2 _(5)_ [(6)] navigation;

12-3 _(6)_ [(7)] recreation and pleasure;

12-4 _(7)_ [(8)] stock raising;]

12-5 [(9)] public parks; and

12-6 _(8)_ [(10)] game preserves.

12-7 SECTION 2.03. Section 11.024, Water Code, is amended to
read

12-8 as follows:

12-9 Sec. 11.024. APPROPRIATION: PREFERENCES. In order to
12-10 conserve and properly utilize state water, the public welfare

12-11 requires not only recognition of beneficial uses but also a
12-12 constructive public policy regarding the preferences between

these

12-13 uses, and it is therefore declared to be the public policy of
this

12-14 state that in appropriating state water preference shall be
given

12-15 to the following uses in the order named:

12-16 (1) domestic and municipal uses, including water
for

12-17 sustaining human life and the life of domestic animals, it being
12-18 the public policy of the state and for the benefit of the

greatest

12-19 number of people that in the appropriation of water as herein
12-20 defined, the appropriation of water for domestic and municipal

uses

12-21 shall be and remain superior to the rights of the state to
12-22 appropriate the same for all other purposes;
12-23 (2) agricultural uses and industrial uses, which
12-24 means
12-24 [meaning] processes designed to convert materials of a lower
order
12-25 of value into forms having greater usability and commercial
value,
12-26 including the development of power by means other than
13-1 hydroelectric;
13-2 (3) [irrigation;]
13-3 [(4)] mining and recovery of minerals;
13-4 (4) [(5)] hydroelectric power;
13-5 (5) [(6)] navigation;
13-6 (6) [(7)] recreation and pleasure; and
13-7 (7) [(8)] other beneficial uses.

13-8 SECTION 2.04. Section 11.038, Water Code, is amended to
read
13-9 as follows:

13-10 Sec. 11.038. RIGHTS OF OWNERS OF LAND ADJOINING CANAL,
ETC.

13-11 (a) A person who owns or holds a possessory interest in land
13-12 adjoining or contiguous to a canal, ditch, flume, lateral, dam,
13-13 reservoir, or lake constructed and maintained under the
provisions

13-14 of this chapter and who has secured a right to the use of water
in
13-15 the canal, ditch, flume, lateral, dam, reservoir, or lake is
13-16 entitled to be supplied from the canal, ditch, flume, lateral,
dam,
13-17 reservoir, or lake with water [for irrigation of the land and]
for
13-18 agricultural uses, mining, milling, manufacturing, development
of
13-19 power, and stock raising, in accordance with the terms of the
13-20 person's [his] contract.

13-21 (b) If the person, association of persons, or corporation
13-22 owning or controlling the water and the person who owns or holds
a
13-23 possessory interest in the adjoining land cannot agree on a
price
13-24 for a permanent water right or for the use of enough water for
13-25 irrigation of the person's land or for agricultural uses,
mining,
13-26 milling, manufacturing, development of power, or stock raising,
14-1 then the party owning or controlling the water, if the person
[he]
14-2 has any water not contracted to others, shall furnish the water
14-3 necessary for these purposes at reasonable and nondiscriminatory
14-4 prices.

14-5 SECTION 2.05. Subsection (p), Section 11.085, Water Code,
is
14-6 amended to read as follows:

14-7 (p) [For the purposes of this section, a basin is
designated
14-8 as provided in accordance with Section 16.051 of this code.] A
14-9 _river_ basin may not be redesignated in order to allow a
transfer or
14-10 diversion of water otherwise in violation of this section.
14-11 SECTION 2.06. Section 11.088, Water Code, is amended to
read
14-12 as follows:
14-13 Sec. 11.088. DESTRUCTION OF WATERWORKS. No person may
14-14 wilfully cut, dig, break down, destroy, or injure or open a
gate,
14-15 bank, embankment, or side of any ditch, canal, reservoir, flume,
14-16 tunnel or feeder, pump or machinery, building, structure, or
other
14-17 work which is the property of another, or in which another owns
an
14-18 interest, or which is lawfully possessed or being used by
another,
14-19 and which is used for [irrigation,] milling, mining,
manufacturing,
14-20 the development of power, domestic purposes, _agricultural
uses, _ or
14-21 stock raising, with intent to:
14-22 (1) maliciously injure a person, association,
14-23 corporation, water improvement or irrigation district;
14-24 (2) gain advantage for himself; or
14-25 (3) take or steal water or cause water to run out
or
14-26 waste out of the ditch, canal, or reservoir, feeder, or flume
for
15-1 his own advantage or to the injury of a person lawfully entitled
to
15-2 the use of the water or the use or management of the ditch,
canal,
15-3 tunnel, reservoir, feeder, flume, machine, structure, or other
15-4 irrigation work.
15-5 SECTION 2.07. Subsection (a), Section 11.122, Water Code,
is
15-6 amended to read as follows:
15-7 (a) All holders of permits, certified filings, and
15-8 certificates of adjudication issued under Section 11.323 of this
15-9 code shall obtain from the commission authority to change the
place
15-10 of use, purpose of use, point of diversion, rate of diversion,
15-11 acreage to be irrigated, or otherwise alter a water right.
Without
15-12 _obtaining an amendment, the holder of a permit, certified
filing, _
15-13 _or certificate of adjudication that includes industrial or_
15-14 _irrigation use may use or supply water for an agricultural use
that_
15-15 _was classified as industrial or irrigation before September 1, _
15-16 _2001._

15-17 SECTION 2.08. Subsection (b), Section 11.134, Water Code,
15-18 is

15-18 amended to read as follows:

15-19 (b) The commission shall grant the application only if:

15-20 (1) the application conforms to the requirements
15-21 prescribed by this chapter and is accompanied by the prescribed
15-22 fee;

15-23 (2) unappropriated water is available in the source
15-24 of

15-24 supply;

15-25 (3) the proposed appropriation:

15-26 (A) is intended for a beneficial use;

16-1 (B) does not impair existing water rights or
16-2 vested riparian rights;

16-3 (C) is not detrimental to the public welfare;

16-4 (D) considers the assessments performed

16-5 under

16-5 Sections 11.147(d) and (e) and Sections 11.150, 11.151, and

16-6 11.152

16-6 [effects of any hydrological connection between surface water and
16-7 groundwater]; and

16-8 (E) addresses a water supply need in a manner

16-9 that is consistent with the state water plan and the relevant

16-10 [an]

16-10 approved regional water plan for any area in which the proposed

16-11 appropriation is located, unless the commission determines that

16-12 conditions warrant waiver of this requirement; and

16-13 (4) the applicant has provided evidence that

16-14 reasonable diligence will be used to avoid waste and achieve

16-15 water

16-15 conservation as defined by Subdivision (8)(B), Section 11.002[,
16-16 of

16-16

16-16 this code].

16-17 SECTION 2.09. Section 11.142, Water Code, is amended to
16-18 read

16-18 as follows:

16-19 Sec. 11.142. PERMIT EXEMPTIONS. (a) Without obtaining a

16-20 permit, a person may construct on the person's [his] own

16-21 property a

16-21 dam or reservoir with normal storage of not more than 200 acre-
16-22 feet

16-22 of water for domestic and livestock purposes. A person who

16-23 temporarily stores more than 200 acre-feet of water in a dam

16-24 or

16-24 reservoir described by this subsection is not required to

16-25 obtain a

16-25 permit for the dam or reservoir if the person can demonstrate

16-26 that

16-26 the person has not stored in the dam or reservoir more than

17-1 200

17-1 acre-feet of water on average in any 12-month period. This

17-2 exemption does not apply to a commercial operation.

17-3 (b) Without obtaining a permit, a person may construct

17-4 on

17-4 _the person's property a dam or reservoir with normal storage of
not
17-5 _more than 200 acre-feet of water for fish and wildlife purposes
if
17-6 _the property on which the dam or reservoir will be constructed
is
17-7 _qualified open-space land, as defined by Section 23.51, Tax
Code._
17-8 _This exemption does not apply to a commercial operation._
17-9 _ (c) _ Without obtaining a permit, a person who is drilling
and
17-10 producing petroleum and conducting operations associated with
17-11 drilling and producing petroleum may take for those purposes
state
17-12 water from the Gulf of Mexico and adjacent bays and arms of the
17-13 Gulf of Mexico in an amount not to exceed one acre-foot during
each
17-14 24-hour period.
17-15 _ (d) _ [(c)] Without obtaining a permit, a person may
construct
17-16 or maintain a reservoir for the sole purpose of sediment control
as
17-17 part of a surface coal mining operation under the Texas Surface
17-18 Coal Mining and Reclamation Act (Article 5920-11, Vernon's Texas
17-19 Civil Statutes).
17-20 SECTION 2.10. Section 11.146, Water Code, is amended by
17-21 adding Subsection (g) to read as follows:
17-22 _ (g) This section does not apply to a permit for
construction_
17-23 _of a reservoir designed for the storage of more than 50,000_
17-24 _acre-feet of water._
17-25 SECTION 2.11. Subsection (b), Section 11.147, Water Code,
is
17-26 amended to read as follows:
18-1 (b) In its consideration of an application for a permit to
18-2 store, take, or divert water, the commission shall assess the
18-3 effects, if any, of the issuance of the permit on the bays and
18-4 estuaries of Texas. For permits issued within an area that is
200
18-5 river miles of the coast, to commence from the mouth of the river
18-6 thence inland, the commission shall include in the permit, to the
18-7 extent practicable when considering all public interests _and
the_
18-8 _studies mandated by Section 16.058 as evaluated under Section_
18-9 _11.1491_, those conditions considered necessary to maintain
18-10 beneficial inflows to any affected bay and estuary system.
18-11 SECTION 2.12. Subsection (b), Section 11.173, Water Code,
is
18-12 amended to read as follows:
18-13 (b) A permit, certified filing, or certificate of
18-14 adjudication or a portion of a permit, certified filing, or
18-15 certificate of adjudication is exempt from cancellation under
18-16 Subsection (a) [of this section]:

18-17 (1) to the extent of the owner's participation in
18-18 the
18-18 Conservation Reserve Program authorized by the Food Security
18-19 Act,
18-19 Pub.L. No. 99-198, Secs. 1231-1236, 99 Stat. 1354, 1509-1514
18-20 (1985)
18-20 or a similar governmental program; [or]
18-21 (2) if a significant [any] portion of the water
18-22 authorized to be used pursuant to a permit, certified filing, or
18-23 certificate of adjudication has been used in accordance with a
18-24 specific recommendation for meeting a water need included in
18-25 the
18-25 regional water plan approved pursuant to Section 16.053;_
18-26 (3) if the permit, certified filing, or
18-26 certificate of_
19-1 adjudication:_
19-2 (A) was obtained to meet demonstrated long-
19-2 term_
19-3 public water supply or electric generation needs as evidenced by
19-3 a_
19-4 water management plan developed by the holder; and_
19-5 (B) is consistent with projections of future_
19-6 water needs contained in the state water plan; or_
19-7 (4) if the permit, certified filing, or certificate
19-7 of_
19-8 adjudication was obtained as the result of the construction of
19-8 a_
19-9 reservoir funded, in whole or in part, by the holder of the
19-9 permit,_
19-10 certified filing, or certificate of adjudication as part of
19-10 the_
19-11 holder's long-term water planning [of this code].
19-12 SECTION 2.13. Subsection (b), Section 11.177, Water Code,
19-12 is
19-13 amended to read as follows:
19-14 (b) In determining what constitutes reasonable diligence
19-14 or
19-15 a justified nonuse as used in Subsection (a) (2) [of this
19-15 section],
19-16 the commission shall give consideration to:
19-17 (1) whether sufficient water is available in the
19-18 source of supply to meet all or part of the appropriation during
19-19 the 10-year period of nonuse;
19-20 (2) whether the nonuse is justified by the holder's
19-21 participation in the federal Conservation Reserve Program or a
19-22 similar governmental program as provided by Section 11.173(b) (1)
19-23 [of this code];
19-24 (3) [whether the permit, certified filing, or
19-25 certificate of adjudication was obtained to meet demonstrated
19-26 long-term public water supply or electric generation needs as
20-1 evidenced by a water management plan developed by the holder and
20-2 consistent with projections of future water needs contained in
20-2 the
20-3 state water plan;]

20-4 [(4) whether the permit, certified filing, or
20-5 certificate of adjudication was obtained as the result of the
20-6 construction of a reservoir funded, in whole or in part, by the
20-7 holder of the permit, certified filing, or certificate of
20-8 adjudication as part of the holder's long-term water planning;]
20-9 [(5)] whether the existing or proposed authorized
20-10 purpose and place of use are consistent with an approved
regional
20-11 water plan as provided by Section 16.053 [of this code];
20-12 _ (4) _ [(6)] whether the permit, certified filing,
or
20-13 certificate of adjudication has been deposited into the Texas
Water
20-14 Bank as provided by Sections 15.7031 and 15.704 [of this code]
or
20-15 whether it can be shown that the water right or water available
20-16 under the right is currently being made available for purchase
20-17 through private marketing efforts; or
20-18 _ (5) _ [(7)] whether the permit, certified filing,
or
20-19 certificate of adjudication has been reserved to provide for
20-20 instream flows or bay and estuary inflows.
20-21 SECTION 2.14. Subdivision (2), Section 15.701, Water
Code,
20-22 is amended to read as follows:
20-23 (2) "Depositor" means a person who deposits or has
on
20-24 deposit a water right in the water bank _or trust_.
20-25 SECTION 2.15. Section 16.012, Water Code, is amended by
20-26 adding Subsections (l) and (m) to read as follows:
21-1 _ (l) The executive administrator shall obtain or develop_
21-2 _groundwater availability models for major and minor aquifers in_
21-3 _coordination with groundwater conservation districts and
regional_
21-4 _water planning groups created under Section 16.053 that overlie
the_
21-5 _aquifers. Modeling of major aquifers shall be completed not
later_
21-6 _than October 1, 2004. On completing a groundwater availability_
21-7 _model for an aquifer, the executive administrator shall provide
the_
21-8 _model to each groundwater conservation district and each
regional_
21-9 _water planning group created under Section 16.053 overlying
that_
21-10 _aquifer._
21-11 _ (m) The executive administrator may conduct surveys of_
21-12 _entities using groundwater and surface water at intervals_
21-13 _determined appropriate by the executive administrator to
gather_
21-14 _data to be used for long-term water supply planning.
Recipients of_
21-15 _the survey shall complete and return the survey to the
executive_

21-16 _administrator. A person who fails to timely complete and
21-17 return_ the survey is not eligible for funding from the board for
21-18 board_ programs and is ineligible to obtain permits, permit
21-19 amendments, or_ permit renewals from the commission under Chapter 11. A person
21-20 who_ fails to complete and return the survey commits an offense that
21-21 is_ punishable as a Class C misdemeanor. Surveys obtained by the
21-22 board_ from nongovernmental entities are excepted from the
21-23 requirements of_ Section 552.021, Government Code, unless otherwise directed in_
21-24 writing by the person completing the survey. This subsection
21-25 does_ not apply to survey information regarding windmills used for_
21-26 domestic and livestock use._

22-1 SECTION 2.16. Subsections (a), (f), (g), and (h), Section
22-2 16.051, Water Code, are amended to read as follows:

22-3 (a) _Not_ [No] later than January 5, 2002, and _before the
22-4 end_ of each successive five-year period after that date_ [every five
22-5 years thereafter], the board shall _prepare, develop, formulate,
22-6 and_ adopt a comprehensive state water plan that incorporates the
22-7 regional water plans approved under Section 16.053. The state
22-8 water plan shall provide for the orderly development, management,
22-9 and conservation of water resources and preparation for and
22-10 response to drought conditions, in order that sufficient water
22-11 will_ be available at a reasonable cost to ensure public health,
22-12 safety,
22-13 and welfare; further economic development; and protect the
22-14 agricultural and natural resources of the entire state.

22-15 (f) The legislature may designate a[:]
22-16 [(1)] river or stream segment of unique ecological
22-17 value_. This designation solely means that a state agency or_
22-18 _political subdivision of the state may not finance the actual_
22-19 segment_ construction of a reservoir in a specific river or stream
22-20 _designated by the legislature under this subsection._

22-21 (g) The legislature may designate a_[: or]
22-22 [(2)] site of unique value for the construction of
22-23 a
22-24 reservoir.

22-25 [(g)] A state agency or political subdivision of the
22-26 state
22-27 may not obtain a fee title or an easement that would[:]
22-28 [(1)] destroy the unique ecological value of a river
22-29 or
22-30 stream segment designated by the legislature under Subsection
22-31 (f)

23-1 of this section; or]
23-2 [(2)] significantly prevent the construction of a
23-3 reservoir on a site designated by the legislature under
[Subsection
23-4 (f) of] this subsection [section].
23-5 (h) The board, the commission, or the Parks and Wildlife
23-6 Department or a political subdivision affected by an action taken
23-7 in violation of Subsection (f) or (g) [of this section] may
bring a
23-8 cause of action to remedy or prevent the violation. A cause of
23-9 action brought under this subsection must be filed in a district
23-10 court in Travis County or in the county in which the action is
23-11 proposed or occurring.
23-12 SECTION 2.17. Subsections (d) and (e), Section 16.053,
Water
23-13 Code, are amended to read as follows:
23-14 (d) The board shall provide guidelines for the
consideration
23-15 of existing regional planning efforts by regional water planning
23-16 groups. The board shall provide guidelines for the format in
which
23-17 information shall be presented in the regional water plans.
The
23-18 board by rule shall require a holder of a surface water permit,
a
23-19 certified filing, or a certificate of adjudication for surface
23-20 water, a holder of a permit for the export of groundwater from
a
23-21 groundwater conservation district, a retail public water
supplier,
23-22 a wholesale water provider, an irrigation district, and any
other
23-23 person who is transporting groundwater or surface water 20
miles or
23-24 more to report to the board information on certain water
pipelines
23-25 and other facilities that can be used for water conveyance.
23-26 Nothing in the initial planning effort shall prevent development
of
24-1 a management plan or project where local or regional needs
require
24-2 action prior to completion of the initial regional water plan
under
24-3 this section.
24-4 (e) Each regional water planning group shall submit to the
24-5 board a regional water plan that:
24-6 (1) is consistent with the guidance principles for
the
24-7 state water plan adopted by the board under Section 16.051(d);
24-8 (2) provides information based on data provided or
24-9 approved by the board in a format consistent with the guidelines
24-10 provided by the board under Subsection (d);
24-11 (3) identifies:

24-12 (A) each source of water supply in the
regional
24-13 water planning area in accordance with the guidelines provided
by
24-14 the board under Subsections (d) and (f);
24-15 (B) factors specific to each source of water
24-16 supply to be considered in determining whether to initiate a
24-17 drought response; [and]
24-18 (C) actions to be taken as part of the
response_ ;_
24-19 _and_
24-20 (D) information on water pipelines and
other_
24-21 _facilities that can be used for water conveyance, including,
but_
24-22 _not limited to, currently used and abandoned oil, gas, and
water_
24-23 _pipelines, as provided by board rules and guidelines_ ;
24-24 (4) has specific provisions for water management
24-25 strategies to be used during a drought of record;
24-26 (5) includes but is not limited to consideration of
25-1 the following:
25-2 (A) any existing water or drought planning
25-3 efforts addressing all or a portion of the region;
25-4 (B) certified groundwater conservation
district
25-5 management plans and other plans submitted under Section 16.054;
25-6 (C) all potentially feasible water management
25-7 strategies, including but not limited to improved conservation,
25-8 reuse, and management of existing water supplies, acquisition of
25-9 available existing water supplies, and development of new water
25-10 supplies;
25-11 (D) protection of existing water rights in
the
25-12 region;
25-13 (E) opportunities for and the benefits of
25-14 developing regional water supply facilities or providing
regional
25-15 management of water supply facilities;
25-16 (F) appropriate provision for environmental
25-17 water needs and for the effect of upstream development on the
bays,
25-18 estuaries, and arms of the Gulf of Mexico and the effect of
plans
25-19 on navigation;
25-20 (G) provisions in Section 11.085(k) (1) if
25-21 interbasin transfers are contemplated;
25-22 (H) voluntary transfer of water within the
25-23 region using, but not limited to, regional water banks, sales,
25-24 leases, options, subordination agreements, and financing
25-25 agreements; and
25-26 (I) emergency transfer of water under Section
26-1 11.139, including information on the part of each permit,
certified

26-2 filing, or certificate of adjudication for nonmunicipal use in
the
26-3 region that may be transferred without causing unreasonable
damage
26-4 to the property of the nonmunicipal water rights holder; [and]
26-5 (6) identifies river and stream segments of unique
26-6 ecological value and sites of unique value for the construction
of
26-7 reservoirs that the regional water planning group recommends for
26-8 protection under Section 16.051;_
26-9 (7) assesses the impact of the plan on unique
river_
26-10 and stream segments identified in Subdivision (6) if the
regional_
26-11 water planning group or the legislature determines that a site
of_
26-12 unique ecological value exists; and_
26-13 (8) describes the impact of proposed water
projects on_
26-14 water quality_
26-15 SECTION 2.18. Subdivision (7), Subsection (h), Section
26-16 16.053, Water Code, is amended to read as follows:
26-17 (7) The board may approve a regional water plan
only
26-18 after it has determined that_
26-19 (A) all interregional conflicts involving
that
26-20 regional water planning area have been resolved;_
26-21 (B) the plan includes water conservation_
26-22 practices and drought management measures incorporating, at a_
26-23 minimum, the provisions of Sections 11.1271 and 11.1272; and_
26-24 (C) the plan is consistent with long-term_
26-25 protection of the state's water resources, agricultural
resources,_
26-26 and natural resources as embodied in the guidance principles_
27-1 adopted under Section 16.051(d)_.
27-2 SECTION 2.19. Section 16.053, Water Code, is amended by
27-3 amending Subsection (j) and adding Subsections (p) and (q) to
read
27-4 as follows:
27-5 (j) The board may provide financial assistance to
political
27-6 subdivisions under Subchapters E and F of this chapter,
Subchapters
27-7 C, D, E, F, [and] J, O, and P, Chapter 15, and Subchapters D,
I, K,
27-8 and L, Chapter 17, for water supply projects only if:
27-9 (1) the board determines that the needs to be
27-10 addressed by the project will be addressed in a manner that is
27-11 consistent with the state water plan; and
27-12 (2) beginning January 5, 2002, the board:
27-13 (A) has approved a regional water plan as
27-14 provided by Subsection (i), and any required updates of the
plan,

27-15 for the region of the state that includes the area benefiting
from
27-16 the proposed project; and
27-17 (B) determines that the needs to be addressed
by
27-18 the project will be addressed in a manner that is consistent
with
27-19 that regional water plan.
27-20 (p) If a groundwater conservation district files a
petition_
27-21 _with the board stating that a conflict requiring resolution
may_
27-22 _exist between the district's certified groundwater
conservation_
27-23 _district management plan developed under Section 36.1071 and
the_
27-24 _approved regional water plan, the board shall facilitate_
27-25 _coordination between the district and the involved region to_
27-26 _resolve the conflict. If conflict remains, the board shall
resolve_
28-1 _the conflict. If the board determines that resolution of
conflict_
28-2 _requires a revision of an approved regional water plan, the
board_
28-3 _shall suspend the approval of that plan and provide information
to_
28-4 _the regional water planning group. The regional water planning_
28-5 _group shall prepare any revisions to its plan specified by the_
28-6 _board and shall hold, after notice, at least one public hearing
at_
28-7 _some central location within the regional water planning area.
The_
28-8 _regional water planning group shall consider all public and
board_
28-9 _comments, prepare, revise, and adopt its plan, and submit the_
28-10 _revised plan to the board for approval and inclusion in the
state_
28-11 _water plan. If the board determines that resolution of
conflict_
28-12 _requires a revision of the district's certified groundwater_
28-13 _conservation district management plan, the board shall suspend
the_
28-14 _certification of that plan and provide information to the
district._
28-15 _The groundwater district shall prepare any revisions to its
plan_
28-16 _specified by the board and shall hold, after notice, at least
one_
28-17 _public hearing at some central location within the district.
The_
28-18 _groundwater district shall consider all public and board
comments,_
28-19 _prepare, revise, and adopt its plan, and submit the revised
plan to_

28-20 _the board for certification. On the request of the involved
region_
28-21 _or groundwater conservation district, the board shall include_
28-22 _discussion of the conflict and its resolution in the state
water_
28-23 _plan that the board provides to the governor, the lieutenant_
28-24 _governor, and the speaker of the house of representatives
under_
28-25 _Section 16.051(e)._
28-26 _ (q) Each regional planning group shall examine the
financing_
29-1 _needed to implement the water management strategies and
projects_
29-2 _identified in the group's most recent approved regional plan
and,_
29-3 _not later than June 1, 2002, shall report to the board
regarding:_
29-4 _ (1) how local governments, regional authorities,
and_
29-5 _other political subdivisions in the region propose to pay for
water_
29-6 _infrastructure projects identified in the plan; and_
29-7 _ (2) what role the regional planning group proposes
for_
29-8 _the state in financing projects identified in the plan, giving_
29-9 _particular attention to proposed increases in the level of
state_
29-10 _participation in funding for regional projects to meet needs
beyond_
29-11 _the reasonable financing capability of local governments,
regional_
29-12 _authorities, and other political subdivisions involved in
building_
29-13 _water infrastructure._
29-14 SECTION 2.20. Subsections (a), (c), and (d), Section
16.054,
29-15 Water Code, are amended to read as follows:
29-16 (a) _Notwithstanding the provisions of this subsection,_
29-17 _groundwater districts are the state's preferred method of
managing_
29-18 _groundwater resources._ It is the policy of the state that
water
29-19 resource management, water conservation, and drought planning
29-20 should occur on an ongoing basis. The board, commission, and
Parks
29-21 and Wildlife Department shall make available where appropriate
29-22 technical and financial assistance for such planning. In
addition,
29-23 the Department of Agriculture may provide input and assistance,
as
29-24 appropriate, for _local water_ [such] planning.
29-25 (c) _When preparing a plan to be submitted under this_
29-26 _section, a person shall consider the implementation of a_
30-1 _desalination program if practicable._

30-2 (d) The regional water planning group shall consider any
30-3 plan submitted under this section when preparing the regional
water
30-4 plan under Section 16.053 of this code. A political
subdivision,
30-5 including a groundwater conservation district, in the regional
30-6 water planning area may request a regional water planning group
to
30-7 consider specific changes to a regional water plan based on
changed
30-8 conditions or new information. The regional water planning
group
30-9 shall consider the request and shall amend its regional water
plan
30-10 if it determines that an amendment is warranted. If the
entity
30-11 requesting the change is dissatisfied with the decision of the
30-12 regional planning group, the entity may request that the board
30-13 review the decision and consider changing the state-approved
30-14 regional plan.

30-15 (e) After January 5, 2002, when [(d) When] preparing
30-16 individual water plans that address drought or the development,
30-17 management, or conservation of water resources from the holders
of
30-18 existing permits, certified filings, or certificates of
30-19 adjudication, the water suppliers, [groundwater districts,]
special
30-20 districts, irrigation districts, and other water users should
30-21 ensure that the plan is not in conflict with the applicable
30-22 approved regional water plan for their region.

30-23 SECTION 2.21. Subdivision (11), Section 35.002, Water
Code,
30-24 is amended to read as follows:

30-25 (11) "Management area" means an area designated and
30-26 delineated by the Texas Water Development Board [commission]
as an
31-1 area suitable for management of groundwater resources.

31-2 SECTION 2.22. Section 35.004, Water Code, is amended to
read
31-3 as follows:

31-4 Sec. 35.004. DESIGNATION OF GROUNDWATER MANAGEMENT
AREAS.

31-5 (a) The Texas Water Development Board, with assistance and
31-6 cooperation from the commission, shall designate groundwater
31-7 management areas covering all major and minor aquifers in the
31-8 state. The initial designation of groundwater management areas
31-9 shall be completed not later than September 1, 2003 [On its own
31-10 motion from time to time, or on receiving a petition, the
31-11 commission may designate groundwater management areas]. Each
31-12 groundwater management area shall be designated with the
objective

31-13 of providing the most suitable area for the management of the
31-14 groundwater resources. To the extent feasible, the
groundwater

31-15 management area shall coincide with the boundaries of a
groundwater
31-16 reservoir or a subdivision of a groundwater reservoir. The
Texas
31-17 _Water Development Board_ [commission] also may consider other
31-18 factors, including the boundaries of political subdivisions.
31-19 (b) _The commission may designate a groundwater
management_
31-20 _area after September 1, 2001, for a petition filed and accepted
by_
31-21 _the commission according to its rules in effect before
September 1,_
31-22 _2001. The commission shall act on the designation in
accordance_
31-23 _with this section_ [On the request of any person interested in
the
31-24 petition, or on the request of the commission, the executive
31-25 director shall prepare available evidence relating to the
31-26 configuration of a groundwater management area. Before making
the
32-1 designation, the commission shall consider the evidence prepared
by
32-2 the executive director and other evidence submitted at the
32-3 hearing].
32-4 (c) The _Texas Water Development Board_ [commission] may
alter
32-5 the boundaries of designated management areas as required by
future
32-6 conditions and as justified by factual data. An alteration of
32-7 boundaries does not invalidate the previous creation of any
32-8 district.
32-9 (d) The _Texas Water Development Board_ [commission] shall
32-10 designate groundwater management areas using the procedures
32-11 applicable to rulemaking under [the Administrative Procedure
Act,
32-12 Subchapter B,] Chapter 2001, Government Code.
32-13 SECTION 2.23. Subsections (a) and (f), Section 35.007,
Water
32-14 Code, are amended to read as follows:
32-15 (a) The executive director and the executive
administrator
32-16 shall meet _periodically_ [at least once a year] to identify,
based
32-17 on information gathered by the commission and the Texas Water
32-18 Development Board, those areas of the state that are
experiencing
32-19 or that are expected to experience, within the immediately
32-20 following 25-year period, critical groundwater problems,
including
32-21 shortages of surface water or groundwater, land subsidence
32-22 resulting from groundwater withdrawal, and contamination of
32-23 groundwater supplies. _Not later than September 1, 2005, the_
32-24 _commission, with assistance and cooperation from the Texas_
Water_

32-25 _Development Board, shall complete the initial designation of_
32-26 _priority groundwater management areas across all major and
minor_
33-1 _aquifers of the state for all areas that meet the criteria for
that_
33-2 _designation. The studies may be prioritized considering_
33-3 _information from the regional planning process, information
from_
33-4 _the Texas Water Development Board groundwater management areas
and_
33-5 _from groundwater conservation districts, and any other
information_
33-6 _available. After the initial designation of priority
groundwater_
33-7 _management areas, the commission and the Texas Water
Development_
33-8 _Board shall annually review the need for additional designations
as_
33-9 _provided by this subsection._

33-10 (f) The report shall include:

33-11 (1) the recommended delineation of the boundaries
of

33-12 any proposed priority groundwater management area in the form of
an

33-13 order to be considered for adoption by the commission;

33-14 (2) the reasons and supporting information for or
33-15 against designating the area as a priority groundwater

management

33-16 area;

33-17 (3) a recommendation regarding whether _one or
more_
33-18 _districts_ [a district] should be created in the priority

33-19 groundwater management area_,_ [or] whether the priority
groundwater

management area

33-20 should be added to an existing district_, or
whether_
33-21 _a combination of those actions should be taken_;

33-22 (4) a recommendation as to actions that should be
33-23 considered to conserve natural resources;

33-24 (5) an evaluation of information or studies
submitted

33-25 to the executive director under Subsection (c); and

33-26 (6) any other information that the executive
director

34-1 considers helpful to the commission.

34-2 SECTION 2.24. Section 35.008, Water Code, is amended to
read

34-3 as follows:

34-4 Sec. 35.008. PROCEDURES FOR DESIGNATION OF PRIORITY
34-5 GROUNDWATER MANAGEMENT AREA; CONSIDERATION OF CREATION OF _NEW_
34-6 DISTRICT OR ADDITION OF LAND IN PRIORITY GROUNDWATER MANAGEMENT
34-7 AREA TO EXISTING DISTRICT_; COMMISSION ORDER_. (a) The

commission

34-8 shall designate priority groundwater management areas using the

34-9 procedures provided by this chapter in lieu of those provided by
34-10 Subchapter B, Chapter 2001, Government Code.
34-11 (b) The commission shall call an evidentiary hearing to
34-12 consider:
34-13 (1) the designation of a priority groundwater
34-14 management area; and
34-15 (2) whether one or more districts [a district]
should
34-16 be created over all or part of a priority groundwater management
34-17 area, [; or]
34-18 [(3) whether] all or part of the land in the
priority
34-19 groundwater management area should be added to an existing
34-20 district, or a combination of those actions should be taken.
34-21 Consideration of this issue shall include a determination of
34-22 whether a district is feasible and practicable.
34-23 (c) Evidentiary hearings shall be held at a location in
one
34-24 of the counties in which the priority groundwater management
area
34-25 is located, or proposed to be located, or in the nearest
convenient
34-26 location if adequate facilities are not available in those
35-1 counties.
35-2 (d) At the hearing, the commission shall hear testimony
and
35-3 receive evidence from affected persons. Affected persons shall
35-4 include landowners, well owners, and other users of groundwater
in
35-5 the proposed priority groundwater management area. The
commission
35-6 shall consider the executive director's report and supporting
35-7 information and the testimony and evidence received at the
hearing.
35-8 If the commission considers further information necessary, the
35-9 commission may request such information from any source.
35-10 (e) Any evidentiary hearing shall be concluded not
later
35-11 than the 75th day after the date notice of the hearing is
35-12 published.
35-13 (f) At the conclusion of the hearing and the
commission's
35-14 considerations, the commission shall issue an order stating
its
35-15 findings and conclusions, including whether a priority
groundwater
35-16 management area should be designated in the area and
35-17 recommendations regarding district creation as set forth in
35-18 Subsection (g).
35-19 (g) The commission's order designating a priority
35-20 groundwater management area must recommend that the area be
covered
35-21 by a district in any of the following ways:
35-22 (1) creation of one or more new districts;

37-7 and effect of adding all or part of the land in the priority
37-8 groundwater management area to an existing district;
37-9 (4) a map generally outlining the boundaries of the
37-10 area being considered for priority groundwater management area
37-11 designation [or the priority groundwater management area being
37-12 considered for district creation or for addition to an existing
37-13 district,] or notice of the location at which a copy of the map
may
37-14 be examined or obtained;
37-15 (5) a statement that the executive director's
report
37-16 concerning the priority groundwater management area or proposed
37-17 area is available at the commission's main office in Austin,
Texas,
37-18 and at regional offices of the commission for regions which
include
37-19 territory within the priority groundwater management area or
37-20 proposed priority groundwater management area and that the
report
37-21 is available for inspection during regular business hours;
37-22 (6) a description or the name of the locations in
the
37-23 affected area at which the commission has provided copies of the
37-24 executive director's report to be made available for public
37-25 inspection;
37-26 (7) the name and address of each public library,
each
38-1 county clerk's office, and each district to which the commission
38-2 has provided copies of the executive director's report; and
38-3 (8) the date, time, and place of the hearing.
38-4 SECTION 2.26. Section 35.012, Water Code, is amended to
read
38-5 as follows:
38-6 Sec. 35.012. CREATION OF DISTRICT IN PRIORITY
GROUNDWATER
38-7 MANAGEMENT AREA [COMMISSIONER ORDER]. (a) [At the conclusion
of
38-8 its hearing and considerations, the commission shall issue an]
[order
38-9 stating its findings and conclusions.]
38-10 [(b) If the commission finds that the land and other
38-11 property in the priority groundwater management area would
benefit
38-12 from the creation of one or more districts, that there is a
public
38-13 need for one or more districts, and that the creation of one or
38-14 more districts would further the public welfare, the commission
38-15 shall issue an order stating that the creation of one or more
38-16 districts is needed.]
38-17 [(c)] Following the issuance of a commission order under
38-18 Section 35.008 designating a priority groundwater management
area
38-19 and recommending the creation of one or more districts, or the
38-20 addition of land to an existing district [Subsection (b)], the

38-21 landowners in the priority groundwater management area may:
38-22 (1) create one or more districts under Subchapter
B,
38-23 Chapter 36;
38-24 (2) have the area annexed to a district that
adjoins
38-25 the area; or
38-26 (3) create one or more districts through the
39-1 legislative process.
39-2 (b) Within two years, but no sooner than 120 days, from
the
39-3 date on which the commission issues an order under Section
35.008
39-4 designating a priority groundwater management area, for those
areas
39-5 that are not within a district, the commission shall:
39-6 (1) create one or more new districts under Section
39-7 36.0151;
39-8 (2) recommend that the areas, or a portion of the
39-9 areas, be added to an existing district under Section 35.013;
or
39-10 (3) take any combination of the actions under
39-11 Subdivisions (1) and (2).
39-12 (c) Following the issuance of a commission order under
39-13 Section 35.008 [(d) The commission shall identify the areas
39-14 subject to the order of the commission issued under Subsection
(b)
39-15 that have not been incorporated into a district and shall
delineate
39-16 proposed boundaries of a district to include those areas. If
the
39-17 commission proposes the creation of one or more districts], the
39-18 Texas Agricultural Extension Service shall begin an educational
39-19 program within such areas with the assistance and cooperation of
39-20 the Texas Water Development Board, the commission, the
Department
39-21 of Agriculture, other state agencies, and existing districts to
39-22 inform the residents of the status of the area's water resources
39-23 and management options including possible formation of a
district[,
39-24 before beginning the procedures for creation of a district
provided
39-25 in Subchapter B, Chapter 36]. The county commissioners court
of
39-26 each county in the priority groundwater management area shall
form
40-1 a steering committee to provide assistance to the Texas
40-2 Agricultural Extension Service in accomplishing the goals of
the
40-3 education program within the area.
40-4 [(e) If the commission fails to find that the district
would
40-5 be a benefit to the land and other property within the priority
40-6 groundwater management area, that there is a public need for the

40-7 district, or that creation of the district will further the
public
40-8 welfare, the commission shall issue an order stating that a
40-9 district should not be created within the boundaries of the
40-10 priority groundwater management area.]
40-11 [(f) An order of the commission issued under this section
40-12 may not be appealed.]
40-13 SECTION 2.27. Section 35.013, Water Code, is amended to
read
40-14 as follows:
40-15 Sec. 35.013. ADDING PRIORITY GROUNDWATER MANAGEMENT AREA
TO
40-16 EXISTING DISTRICT. (a) [If land in a priority groundwater
40-17 management area is located adjacent to one or more existing
40-18 districts, the commission, instead of issuing an order under
40-19 Section 35.012, may issue an order recommending that the
priority
40-20 groundwater management area be added to the existing district
40-21 designated by the commission. In its order, the commission must
40-22 find that the land and other property in the priority
groundwater
40-23 management area and the land in the existing district will
benefit
40-24 from the addition of the area, that there is a public need to
add
40-25 the priority groundwater management area to the existing
district,
40-26 and that the addition of the land to the existing district would
41-1 further the public welfare.]
41-2 [(b)] If the _commission in its order under Section
35.008_
41-3 [executive director] recommends that the priority groundwater
41-4 management area _or a portion of the priority groundwater
management_
41-5 _area_ be added to an existing district [or if the commission
41-6 considers it possible to add the priority groundwater management
41-7 area to an adjacent existing district], the commission shall give
41-8 notice to the board of the existing district recommended _in its_
41-9 _order_ [by the executive director or considered by the
commission to
41-10 possibly serve the area] and to any other existing districts
41-11 adjacent to the priority groundwater management area.
41-12 _ (b) _ [(c)] The commission shall submit a copy of the
order to
41-13 the board of the district to which it is recommending the
priority
41-14 groundwater management area be added. The board shall vote on
the
41-15 addition of the priority groundwater management area to the
41-16 district and shall advise the commission of the outcome.
41-17 _ (c) _ [(d)] If the board votes to accept the addition of
the
41-18 priority groundwater management area to the district, the board:
41-19 (1) may request the Texas Agricultural Extension

41-20 Service, the commission, and the Texas Water Development Board,
41-21 with the cooperation and assistance of the Department of
41-22 Agriculture and other state agencies, to administer an
educational
41-23 program to inform the residents of the status of the area's
water
41-24 resources and management options including possible annexation
into
41-25 a district;

41-26 (2) shall call an election within the priority
42-1 groundwater management area_, or portion of the priority
groundwater_
42-2 _management area, _ as delineated by the commission to determine
if
42-3 the priority groundwater management area will be added to the
42-4 district; and

42-5 (3) shall designate election precincts and polling
42-6 places for the elections in the order calling an election under
42-7 this subsection.

42-8 (d) [(e)] The board shall give notice of the election
and
42-9 the proposition to be voted on. The board shall publish notice
of
42-10 the election at least one time in one or more newspapers with
42-11 general circulation within the boundaries of the priority
42-12 groundwater management area. The notice must be published
before
42-13 the 30th day preceding the date set for the election.

42-14 (e) [(f)] The ballots for the election shall be printed
to
42-15 provide for voting for or against the proposition: "The
inclusion
42-16 of _____ (briefly describe priority
groundwater
42-17 management area) in the _____ District." If the
district
42-18 has outstanding debts or taxes, the proposition shall include
the
42-19 following language: "and assumption by the described area of a
42-20 proportional share of the debts or taxes of the district."

42-21 (f) [(g)] Immediately after the election, the presiding
42-22 judge of each polling place shall deliver the returns of the
42-23 election to the board, and the board shall canvass the returns
for
42-24 the election within the priority groundwater management area and
42-25 declare the results. If a majority of the voters in the
priority
42-26 groundwater management area voting on the proposition vote in
favor
43-1 of the proposition, the board shall declare that the priority
43-2 groundwater management area is added to the district. If a
43-3 majority of the voters in the priority groundwater management
area
43-4 voting on the proposition vote against adding the priority

43-5 groundwater management area to the district, the board shall
43-6 declare that the priority groundwater management area is not
added
43-7 to the district. The board shall file a copy of the election
43-8 results with the commission.
43-9 (g) [(h)] If the voters approve adding the priority
43-10 groundwater management area to the district, the board of the
43-11 district to which the priority groundwater management area is
added
43-12 shall provide reasonable representation on that board compatible
43-13 with the district's existing scheme of representation. Not
later
43-14 than the 30th day after the date on which the board declares
that
43-15 the priority groundwater management area is added to the
district,
43-16 the board of the existing district shall appoint a person or
43-17 persons to represent the area until the next regularly
scheduled
43-18 election or appointment of directors.
43-19 (h) [(i)] If the proposition is defeated, or if the
board of
43-20 the existing district votes not to accept the addition of the
area
43-21 to the district, then the commission shall, except as provided
43-22 under Subsection (i), create under Section 36.0151 one or more
43-23 districts covering the priority groundwater management area
not
43-24 later than the first anniversary of the date on which the
43-25 proposition is defeated or the board votes not to accept the
area.
43-26 (i) For an area that is not feasible for the creation of
one
44-1 or more districts as determined in the commission's findings
under
44-2 Section 35.008, the commission shall include in its report
under
44-3 Section 35.018 recommendations for the future management of the
44-4 priority groundwater management area.
44-5 (j) Another [another] election to add the priority
44-6 groundwater management area to an existing district may not be
44-7 called before the first anniversary of the date on which the
44-8 election on the proposition was held.
44-9 SECTION 2.28. Subsection (c), Section 35.018, Water Code,
is
44-10 amended to read as follows:
44-11 (c) If the commission determines that a district
created
44-12 under Chapter 36 is not appropriate for, or capable of, the
44-13 protection of the groundwater resources for a particular
management
44-14 area or priority groundwater management area, the commission
may
44-15 recommend in its report to the legislature the creation of a

44-16 _special district or amendment of an existing district._ [(1)
44-17 If
44-18 voters fail to create a groundwater district in a priority
44-19 groundwater management area or if voters fail to add the
44-20 priority
44-21 groundwater management area to an existing groundwater district,
44-22 the report shall include recommendations for the future
44-23 management
44-24 of the priority groundwater management area. The
44-25 recommendations
44-26 may include but are not limited to the following:]
45-1 [(A) creation of a groundwater district by
45-2 the
45-3 legislature;]
45-4 [(B) annexation of a priority groundwater
45-5 management area into an existing district by the legislature;
45-6 or]
45-7 [(C) management of the priority groundwater
45-8 management area by the nearest regional office of the commission.
45-9 The commission may be authorized to:]
45-10 [(i) adopt spacing and annual per acre
45-11 pumping restrictions;]
45-12 [(ii) issue well permits in accordance
45-13 with Sections 36.113 and 36.1131;]
45-14 [(iii) prevent waste and protect the
45-15 quality of groundwater in accordance with Sections
45-16 36.001(8) (A)-(G);]
45-17 [(iv) levy administrative penalties for
45-18 violations; and]
45-19 [(v) collect fees in accordance with
45-20 Sections 36.206(a) and (b).]
45-21 [(2) If the commission is required by the
45-22 legislature
45-23 to manage the priority groundwater management area, a new
45-24 election
45-25 may not be called for three years from the date of the last
45-26 election.]
45-27 SECTION 2.29. Section 36.001, Water Code, is amended by
45-28 amending Subdivision (13) and adding Subdivisions (18) through
45-29 (22)
45-30 to read as follows:
45-31 (13) "Management area" means an area designated and
45-32 delineated by the _Texas Water Development Board_ [commission]
45-33 under
45-34 Chapter 35 as an area suitable for management of groundwater
45-35 resources.
45-36 (18) "River basin" means a river or coastal basin_
46-1 _designated as a river basin by the board under Section 16.051.
46-2 The_
46-3 _term does not include waters of the bays or arms originating in
46-4 the_
46-5 _Gulf of Mexico._
46-6 (19) "Agriculture" means any of the following_
46-7 _activities:_
46-8

46-6 _(A) cultivating the soil to produce crops
for_
46-7 _human food, animal feed, or planting seed or for the production
of_
46-8 _fibers;_
46-9 _(B) the practice of floriculture,
viticulture,_
46-10 _silviculture, and horticulture, including the cultivation of
plants_
46-11 _in containers or nonsoil media, by a nursery grower;_
46-12 _(C) raising, feeding, or keeping animals
for_
46-13 _breeding purposes or for the production of food or fiber,
leather,_
46-14 _pelts, or other tangible products having a commercial value;_
46-15 _(D) planting cover crops, including cover
crops_
46-16 _cultivated for transplantation, or leaving land idle for the_
46-17 _purpose of participating in any governmental program or normal
crop_
46-18 _or livestock rotation procedure;_
46-19 _(E) wildlife management; and_
46-20 _(F) raising or keeping equine animals._
46-21 _(20) "Agricultural use" means any use or activity_
46-22 _involving agriculture, including irrigation._
46-23 _(21) "Conjunctive use" means the combined use of_
46-24 _groundwater and surface water sources that optimizes the
beneficial_
46-25 _characteristics of each source._
46-26 _(22) "Nursery grower" means a person who grows
more_
47-1 _than 50 percent of the products that the person either sells or_
47-2 _leases, regardless of the variety sold, leased, or grown. For
the_
47-3 _purpose of this definition, "grow" means the actual cultivation
or_
47-4 _propagation of the product beyond the mere holding or
maintaining_
47-5 _of the item prior to sale or lease and typically includes_
47-6 _activities associated with the production or multiplying of
stock_
47-7 _such as the development of new plants from cuttings, grafts,
plugs,_
47-8 _or seedlings._
47-9 SECTION 2.30. Section 36.0015, Water Code, is amended to
47-10 read as follows:
47-11 Sec. 36.0015. PURPOSE. In order to provide for the
47-12 conservation, preservation, protection, recharging, and
prevention
47-13 of waste of groundwater, and of groundwater reservoirs or their
47-14 subdivisions, and to control subsidence caused by withdrawal of
47-15 water from those groundwater reservoirs or their subdivisions,
47-16 consistent with the objectives of Section 59, Article XVI, Texas

47-17 Constitution, groundwater conservation districts may be created
47-18 as
47-18 provided by this chapter. Groundwater conservation districts
47-19 created as provided by this chapter are the state's preferred
47-20 method of groundwater management _through rules developed,
47-21 adopted, _
47-21 _and promulgated by a district in accordance with the provisions
47-22 of_
47-22 _this chapter_.
47-23 SECTION 2.31. Section 36.002, Water Code, is amended to
47-24 read
47-24 as follows:
47-25 Sec. 36.002. OWNERSHIP OF GROUNDWATER. The ownership and
47-26 rights of the owners of the land and their lessees and assigns
47-26 in
48-1 groundwater are hereby recognized, and nothing in this code shall
48-2 be construed as depriving or divesting the owners or their
48-3 lessees
48-3 and assigns of the ownership or rights, _except as those rights
48-4 may_
48-4 _be limited or altered by_ [subject to] rules promulgated by a
48-5 district.
48-6 SECTION 2.32. Subsection (b), Section 36.011, Water Code,
48-7 is
48-7 amended to read as follows:
48-8 (b) The commission has exclusive jurisdiction over the
48-9 [delineation of management areas and the] creation of districts.
48-10 SECTION 2.33. Section 36.012, Water Code, is amended by
48-11 adding Subsection (f) to read as follows:
48-12 _ (f) This section does not apply to districts created
48-13 under_
48-13 _Section 36.0151._
48-14 SECTION 2.34. Section 36.013, Water Code, is amended to
48-15 read
48-15 as follows:
48-16 Sec. 36.013. PETITION TO CREATE DISTRICT. (a) A
48-17 petition
48-17 requesting creation of a district must be filed with the
48-18 _commission_
48-18 [executive director] for review and _certification under
48-19 Section_
48-19 _36.015_ [submission to the commission].
48-20 (b) The petition filed pursuant to this section must be
48-21 signed by:
48-22 (1) a majority of the landowners within the
48-23 proposed
48-23 district, as indicated by the county tax rolls; or
48-24 (2) if there are more than 50 landowners in the
48-25 proposed district, at least 50 of those landowners.
48-26 (c) The petition must include:
49-1 (1) the name of the proposed district;
49-2 (2) the area and boundaries of the proposed
49-2 district,

49-3 including a map generally outlining the boundaries of the
proposed
49-4 district;
49-5 (3) the purpose or purposes of the district;
49-6 (4) a statement of the general nature of any
projects
49-7 proposed to be undertaken by the district, the necessity and
49-8 feasibility of the work, and the estimated costs of those
projects
49-9 according to the persons filing the projects if the projects are
to
49-10 be funded by the sale of bonds or notes; [and]
49-11 (5) the names of at least five individuals
qualified
49-12 to serve as temporary directors; and
49-13 (6) financial information, including the
projected
49-14 maintenance tax or production fee rate and a proposed budget
of
49-15 revenues and expenses for the district [any additional terms
or
49-16 conditions that restrict the powers of the district from those
49-17 provided in this chapter].
49-18 [(d) If a part of the proposed district is not included
49-19 within either a management area or a priority groundwater
49-20 management area, the petition to create a district may also
contain
49-21 a request to create a management area. A request to create a
49-22 management area must comply with the requirements for a petition
in
49-23 Section 35.005, and may be acted on by the commission separately
49-24 from the petition to create the district.]
49-25 SECTION 2.35. Section 36.014, Water Code, is amended to
read
49-26 as follows:
50-1 Sec. 36.014. NOTICE AND PUBLIC MEETING [HEARING] ON
DISTRICT
50-2 CREATION. (a) If a petition is filed under Section 36.013, the
50-3 commission shall give notice of the [an] application [as
required
50-4 by Section 49.011(a)] and shall [may] conduct a public meeting
in a
50-5 central location within the area of the proposed district
[hearing]
50-6 on the application not later than the 60th day after the date
the
50-7 commission issues notice [if the commission determines that a
50-8 hearing is necessary under Section 49.011]. The notice must
50-9 contain the date, time, and location of the public meeting and
must
50-10 be published in one or more newspapers of general circulation
in
50-11 the area of the proposed district.
50-12 (b) If the petition contains a request to create a

50-13 management area in all or part of the proposed district, the
50-14 notice
50-14 must also be given in accordance with the requirements in
50-15 Section
50-15 35.006 for the designation of management areas.
50-16 SECTION 2.36. Section 36.015, Water Code, is amended to
50-17 read
50-17 as follows:
50-18 Sec. 36.015. COMMISSION CERTIFICATION AND ORDER. (a)
50-18 Not
50-19 later than the 90th day after the date the commission holds a
50-20 public meeting on a petition under Section 36.014, the
50-21 commission
50-21 shall certify the petition if the petition is administratively
50-22 complete. A petition is administratively complete if it
50-22 complies
50-23 with the requirements of Sections 36.013(b) and (c).
50-24 (b) The commission may not certify a petition if the
50-25 commission finds that the proposed district cannot be
50-26 adequately
50-26 funded to carry out its purposes based on the financial
50-26 information
51-1 provided in the petition under Section 36.013(c)(6) or that the
51-2 boundaries of the proposed district do not provide for the
51-3 effective management of the groundwater resources. The
51-4 commission
51-4 shall give preference to boundary lines that are coterminous
51-5 with
51-5 those of a groundwater management area but may also consider
51-6 boundaries along existing political subdivision boundaries if
51-7 such
51-7 boundaries would facilitate district creation and confirmation.
51-8 (c) If a petition proposes the creation of a district in
51-8 an
51-9 area, in whole or in part, that has not been designated as a
51-10 management area, the commission shall provide notice to the
51-10 Texas
51-11 Water Development Board. On the receipt of notice from the
51-12 commission, the Texas Water Development Board shall initiate
51-13 the
51-13 process of designating a management area for the area of the
51-14 proposed district not included in a management area. The
51-15 commission may not certify the petition until the Texas Water
51-16 Development Board has adopted a rule whereby the boundaries of
51-17 the
51-17 proposed district are coterminous with or inside the boundaries
51-18 of
51-18 a management area.
51-19 (d) If the commission does not certify the petition,
51-19 the
51-20 commission shall provide to the petitioners, in writing, the
51-21 reasons for not certifying the petition. The petitioners may
51-22 resubmit the petition, without paying an additional fee, if
51-22 the

51-23 _petition is resubmitted within 90 days after the date the_
51-24 _commission sends the notice required by this subsection._
51-25 _ (e) If the commission certifies the petition as_
51-26 _administratively complete, the commission shall issue an
order,_
52-1 _notify the petitioners, and appoint temporary directors as
provided_
52-2 _by Section 36.016._
52-3 _ (f) Refusal by the commission to certify a petition to_
52-4 _create a district does not invalidate or affect the designation
of_
52-5 _any management area._ [FINDINGS. (a) If the commission finds
that
52-6 a district is feasible and practicable, that it would be a
benefit
52-7 to the land in the district, and that it would be a public
benefit
52-8 or utility, the commission shall issue an order containing these
52-9 findings granting the petition.]
52-10 [(b) If the commission finds that a district is not
feasible
52-11 and practicable, that it would not be a benefit to the land in
the
52-12 district, that it would not be a public benefit or utility, or
that
52-13 it is not needed, the commission by order shall deny the
petition.]
52-14 [(c) The commission may adjust the boundaries of the
52-15 proposed district to exclude any land that would not be
benefited
52-16 by inclusion in the district and is not necessary to the
district
52-17 for proper regulation of the groundwater reservoir.]
52-18 [(d) If the commission grants the petition to create the
52-19 district, it shall direct in its order creating the district
that
52-20 an election be called by the temporary directors to confirm the
52-21 creation of the district and to elect permanent directors.]
52-22 [(e) The refusal to grant a petition to create a district
52-23 does not invalidate or affect the designation of any management
52-24 area requested in the same petition.]
52-25 [(f) The commission shall act on the petition within a
52-26 reasonable amount of time.]
53-1 SECTION 2.37. Subsection (a), Section 36.0151, Water Code,
53-2 is amended to read as follows:
53-3 (a) If the commission _is required to create_ [proposes
that]
53-4 a district [be created] under Section _35.012(b)_ [35.012(d)], it
53-5 shall_, without an evidentiary hearing, issue an order creating
the_
53-6 _district and shall provide_ in its order [creating the district
53-7 provide] that temporary directors be appointed under Section
36.016
53-8 and that an election be called by the temporary directors to

53-9 authorize the district to assess taxes_ [confirm the creation of
the
53-10 district] and to elect permanent directors.

53-11 SECTION 2.38. Subsection (a), Section 36.016, Water Code,
is

53-12 amended to read as follows:

53-13 (a) If the commission _certifies_ [grants] a petition to
53-14 create a district under Section 36.015_, the commission shall_
53-15 _appoint the temporary directors named_ in the petition. If_ [or
53-16 after] the commission dissolves a district's board under Section
53-17 36.303, it shall appoint five temporary directors.

53-18 SECTION 2.39. Section 36.017, Water Code, is amended by
53-19 amending the section heading and Subsections (a), (d), and (g)
and

53-20 adding Subsection (i) to read as follows:

53-21 Sec. 36.017. CONFIRMATION AND DIRECTORS' ELECTION _FOR_
53-22 _DISTRICT IN A MANAGEMENT AREA_. (a) _For a district created
under_

53-23 _Section 36.015, not_ [Not] later than the _120th_ [60th] day
after the

53-24 date all temporary directors have been appointed and have
53-25 qualified, the temporary directors shall meet and order an
election

53-26 to be held within the boundaries of the proposed district to
54-1 approve the creation of the district and to elect permanent
54-2 directors.

54-3 (d) The ballot for the election must be printed to provide
54-4 for voting for or against the proposition: "The creation of the
54-5 _____ Groundwater Conservation District." If the
54-6 district levies a maintenance tax for payment of its expenses,
then

54-7 _an additional_ [the] proposition shall _be included with_
[include]

54-8 the following language: "_The_ [and the] levy of a maintenance
tax

54-9 at a rate not to exceed _____ cents for each \$100 of assessed
54-10 valuation." _The same ballot or another ballot must provide for

the_
54-11 _election of permanent directors, in accordance with Section
36.059._

54-12 (g) If a majority of the votes cast at the election are
54-13 against the creation of the district, the temporary board shall
54-14 declare the district defeated and shall enter the result in its
54-15 minutes. _The temporary board shall continue operations in_
54-16 _accordance with Subsection (h)._
54-17 (i) If a majority of the votes cast at the election are_
54-18 _against the levy of a maintenance tax, the district shall set_
54-19 _production fees to pay for the district's regulation of

groundwater_
54-20 _in the district, including fees based on the amount of water to
be_
54-21 _withdrawn from a well._

54-22 SECTION 2.40. Subchapter B, Chapter 36, Water Code, is
54-23 amended by adding Section 36.0171 to read as follows:

54-24 _Sec. 36.0171. TAX AUTHORITY AND DIRECTORS' ELECTION FOR_
54-25 _DISTRIC T IN A PRIORITY GROUNDWATER MANAGEMENT AREA. (a) For
a_
54-26 _district created under Section 36.0151, not later than the
120th_
55-1 _day after the date all temporary directors have been appointed
and_
55-2 _have qualified, the temporary directors shall meet and order an_
55-3 _election to be held within the boundaries of the proposed
district_
55-4 _to authorize the district to assess taxes and to elect
permanent_
55-5 _directors._
55-6 _(b) In the order calling the election, the temporary_
55-7 _directors shall designate election precincts and polling places
for_
55-8 _the election. In designating the polling places, the temporary_
55-9 _directors shall consider the needs of all voters for
conveniently_
55-10 _located polling places._
55-11 _(c) The temporary directors shall publish notice of the_
55-12 _election at least once in at least one newspaper with general_
55-13 _circulation within the boundaries of the proposed district.
The_
55-14 _notice must be published before the 30th day preceding the date
of_
55-15 _the election._
55-16 _(d) The ballot for the election must be printed to
provide_
55-17 _for voting for or against the proposition: "The levy of a_
55-18 _maintenance tax by the _____ Groundwater
Conservation_
55-19 _District at a rate not to exceed _____ cents for each \$100 of_
55-20 _assessed valuation." The same ballot or another ballot must_
55-21 _provide for the election of permanent directors, in accordance
with_
55-22 _Section 36.059._
55-23 _(e) Immediately after the election, the presiding judge
of_
55-24 _each polling place shall deliver the returns of the election to
the_
55-25 _temporary board, and the board shall canvass the returns,
declare_
55-26 _the result, and turn over the operations of the district to
the_
56-1 _elected permanent directors. The board shall file a copy of
the_
56-2 _election result with the commission._
56-3 _(f) If a majority of the votes cast at the election
favor_
56-4 _the levy of a maintenance tax, the temporary board shall
declare_
56-5 _the levy approved and shall enter the result in its minutes._
56-6 _(g) If a majority of the votes cast at the election are_

56-7 _against the levy of a maintenance tax, the temporary board
shall_
56-8 _declare the levy defeated and shall enter the result in its_
56-9 _minutes._
56-10 _ (h) If the majority of the votes cast at the election
are_
56-11 _against the levy of a maintenance tax, the district shall set_
56-12 _permit fees to pay for the district's regulation of groundwater
in_
56-13 _the district, including fees based on the amount of water to
be_
56-14 _withdrawn from a well._

56-15 SECTION 2.41. Section 36.019, Water Code, is amended to
read
56-16 as follows:

56-17 Sec. 36.019. CONFIRMATION ELECTION IN DISTRICT INCLUDING
56-18 LAND IN MORE THAN ONE COUNTY. _ (a) _ A district, the major
portion
56-19 of which is located in one county, may not be organized to
include
56-20 land in another county unless the election held in the other
county
56-21 to confirm and ratify the creation of the district is approved
by a
56-22 majority of the voters of the other county voting in an election
56-23 called for that purpose.

56-24 _ (b) This section does not apply to districts created
under_
56-25 _Section 36.0151._

56-26 SECTION 2.42. Subsection (a), Section 36.060, Water Code,
is
57-1 amended to read as follows:

57-2 (a) A director is entitled to receive fees of office of
not
57-3 more than _\$150_ [\$100] a day for each day the director actually
57-4 spends performing the duties of a director. The fees of office
may
57-5 not exceed _\$9,000_ [\$6,000] a year.

57-6 SECTION 2.43. Subsection (g), Section 36.066, Water Code,
is
57-7 amended to read as follows:

57-8 (g) If the district prevails in any suit other than a suit
57-9 in which it voluntarily intervenes, _the district may seek and
the_
57-10 _court shall grant_ [it may], in the same action, _recovery_
[recover
57-11 reasonable fees] for _attorney's fees_ [attorneys], _costs for_
expert
57-12 witnesses, and other costs incurred by the district before the
57-13 court. The amount of the attorney's fees shall be fixed by the
57-14 court.

57-15 SECTION 2.44. Subsection (a), Section 36.101, Water Code,
is
57-16 amended to read as follows:

57-17 (a) A district may make and enforce rules, including
57-18 rules
57-18 limiting groundwater production based on tract size or the
57-19 spacing
57-19 of wells, to provide for conserving, preserving, protecting,
and
57-20 recharging of the groundwater or of a groundwater reservoir or
its
57-21 subdivisions in order to control subsidence, prevent
degradation of
57-22 water quality, or prevent waste of groundwater and to carry
out the
57-23 powers and duties provided by this chapter. During the
rulemaking
57-24 process the board shall consider all groundwater uses and needs
and
57-25 shall develop rules which are fair and impartial.

57-26 SECTION 2.45. Subsection (b), Section 36.102, Water Code,
is

58-1 amended to read as follows:

58-2 (b) The board by rule may set reasonable civil penalties
for

58-3 breach of any rule of the district [that shall] not to exceed

58-4 \$10,000 per day per violation, and each day of a continuing

58-5 violation constitutes a separate violation [the jurisdiction of
a

58-6 justice court as provided by Section 27.031, Government Code].

58-7 SECTION 2.46. Section 36.1071, Water Code, is amended by

58-8 amending Subsections (a) and (b) and adding Subsection (h) to

read

58-9 as follows:

58-10 (a) Following notice and hearing, the district shall, in

58-11 coordination with surface water management entities on a

regional

58-12 basis, develop a comprehensive management plan which addresses

the

58-13 following management goals, as applicable:

58-14 (1) providing the most efficient use of
groundwater;

58-15 (2) controlling and preventing waste of
groundwater;

58-16 (3) controlling and preventing subsidence;

58-17 (4) addressing conjunctive surface water management

58-18 issues; [and]

58-19 (5) addressing natural resource issues;

58-20 (6) addressing drought conditions; and

58-21 (7) addressing conservation.

58-22 (b) After January 5, 2002, a [A] district management
plan,

58-23 or any amendments to a district management plan, shall be
developed

58-24 by the district using the district's best available data and

58-25 forwarded to the regional water planning group for

consideration in

58-26 _their planning process_ [adopted after the Texas Water
Development
59-1 Board approval of a regional water plan for the region in which
the
59-2 district is located shall be consistent with the regional water
59-3 plan].
59-4 _ (h) In developing its management plan, the district
shall_
59-5 _use the groundwater availability modeling information provided
by_
59-6 _the executive administrator in conjunction with any available_
59-7 _site-specific information provided by the district and
acceptable_
59-8 _to the executive administrator._
59-9 SECTION 2.47. Section 36.1072, Water Code, is amended by
59-10 adding Subsection (g) to read as follows:
59-11 _ (g) In this subsection, "board" means the Texas Water_
59-12 _Development Board. A person with a legally defined interest
in_
59-13 _groundwater in a district or the regional water planning group
may_
59-14 _file a petition with the board stating that a conflict
requiring_
59-15 _resolution may exist between the district's certified
groundwater_
59-16 _conservation district management plan developed under Section_
59-17 _36.1071 and the state water plan. If a conflict exists, the
board_
59-18 _shall facilitate coordination between the involved person or_
59-19 _regional water planning group and the district to resolve the_
59-20 _conflict. If conflict remains, the board shall resolve the_
59-21 _conflict. The board action under this provision may be_
59-22 _consolidated, at the option of the board, with related action
under_
59-23 _Section 16.053(p). If the board determines that resolution of
the_
59-24 _conflict requires a revision of the certified groundwater_
59-25 _conservation district management plan, the board shall suspend
the_
59-26 _certification of the plan and provide information to the
district._
60-1 _The district shall prepare any revisions to the plan specified
by_
60-2 _the board and shall hold, after notice, at least one public
hearing_
60-3 _at some central location within the district. The district
shall_
60-4 _consider all public and board comments, prepare, revise, and
adopt_
60-5 _its plan, and submit the revised plan to the board for_
60-6 _certification. On the request of the district or the regional_
60-7 _water planning group, the board shall include discussion of the_
60-8 _conflict and its resolution in the state water plan that the
board_

60-9 _provides to the governor, the lieutenant governor, and the
speaker_
60-10 _of the house of representatives under Section 16.051(e)._
60-11 SECTION 2.48. Section 36.108, Water Code, is amended to
read
60-12 as follows:
60-13 Sec. 36.108. JOINT PLANNING IN MANAGEMENT AREA. (a) If
two
60-14 or more districts are located within the boundaries of the same
60-15 management area, each district shall prepare a comprehensive
60-16 management plan as required by Section 36.1071 covering that
60-17 district's respective territory. On completion _and
certification_
60-18 of the plan _as required by Section 36.1072_, each district
shall
60-19 forward a copy of the new _or_ revised management plan to the
other
60-20 districts in the management area. _The boards of the districts_
60-21 _shall consider the plans individually and shall compare them
to_
60-22 _other management plans then in force in the management area._
60-23 (b) The board of directors of each district in the
60-24 management area may, by resolution, call _for_ [a] joint
planning
60-25 [meeting] with [the boards of directors of] the other districts
in
60-26 the management area to review the management plans and
61-1 accomplishments for the management area. [The boards shall meet
to
61-2 consider the plans individually and shall compare them to other
61-3 management plans then in force in the management area.] In
61-4 reviewing the management plans, the boards shall consider:
61-5 (1) the goals of each management plan and its impact
61-6 on planning throughout the management area;
61-7 (2) the effectiveness of the measures established by
61-8 each management plan for conserving and protecting groundwater
and
61-9 preventing waste, and the effectiveness of these measures in the
61-10 management area generally; and
61-11 (3) any other matters that the boards consider
61-12 relevant to the protection and conservation of groundwater and
the
61-13 prevention of waste in the management area.
61-14 (c) _If a_ [A] joint meeting of the boards of directors
is
61-15 _called, the meeting_ must be held in accordance with [the Open
61-16 Meetings Act,] Chapter 551, Government Code. Notice of the
meeting
61-17 shall be given in accordance with the requirements for notice of
61-18 district board of directors meetings under that Act. In
addition,
61-19 notice of the meeting shall be published not later than the 30th
61-20 day before the date of the scheduled meeting in a newspaper with
61-21 general circulation in each county in the management area.

61-22 (d) A district in the management area may file _with
good_
61-23 _cause_ a petition with the commission requesting an inquiry if
the
61-24 petitioner district _adopted a resolution calling for joint
planning_
61-25 _and the other district or districts refused to join in the
planning_
61-26 _process or the process failed to result in adequate planning,
and_
62-1 _the petition provides evidence_ [believes] that:
62-2 (1) another district in the management area has
failed
62-3 to adopt rules;
62-4 (2) the groundwater in the management area is not
62-5 adequately protected by the rules adopted by another district; or
62-6 (3) the groundwater in the management area is not
62-7 adequately protected due to the failure of another district to
62-8 enforce substantial compliance with its rules.
62-9 (e) Not later than the 90th day after the date the
petition
62-10 is filed, the commission shall review the petition and either:
62-11 (1) dismiss it if it finds that the evidence is not
62-12 adequate to show that any of the conditions alleged in the
petition
62-13 exist; or
62-14 (2) select a review panel as provided in Subsection
62-15 (f).
62-16 (f) _If the petition is not dismissed under Subsection
(e),_
62-17 _the_ [The] commission _shall_ [may] appoint a review panel
consisting
62-18 of a chairman and four other members. A director or general
62-19 manager of a district located outside the management area that
is
62-20 the subject of the petition may be appointed to the review
panel.
62-21 The commission may not appoint more than two members of the
review
62-22 panel from any one district. The commission also shall appoint
a
62-23 disinterested person to serve as a nonvoting recording secretary
62-24 for the review panel. The recording secretary may be an
employee
62-25 of the commission. The recording secretary shall record and
62-26 document the proceedings of the panel.
63-1 (g) Not later than the 120th day after appointment, the
63-2 review panel shall review the petition and any evidence relevant
to
63-3 the petition and, in a public meeting, _consider and adopt_
[prepare]
63-4 a report to _be submitted to_ the commission. The commission may
63-5 direct the review panel to conduct public hearings at a location
in

63-6 the management area to take evidence on the petition. The review
63-7 panel may attempt to negotiate a settlement or resolve the
dispute
63-8 by any lawful means.

63-9 (h) In its report, the review panel shall include:

63-10 (1) a summary of all evidence taken in any hearing
on
63-11 the petition;

63-12 (2) a list of findings and recommended actions
63-13 appropriate for the commission to take and the reasons it finds
63-14 those actions appropriate; and

63-15 (3) any other information the panel considers
63-16 appropriate.

63-17 (i) The review panel shall submit its report to the
63-18 commission.

63-19 (j) Districts located within the same management areas
or in

63-20 adjacent management areas may contract to jointly conduct
studies

63-21 or research, or to construct projects, under terms and
conditions

63-22 that the districts consider beneficial. These joint efforts
may

63-23 include studies of groundwater availability and quality,
aquifer

63-24 modeling, and the interaction of groundwater and surface
water;

63-25 educational programs; the purchase and sharing of equipment;
and

63-26 the implementation of projects to make groundwater available,
64-1 including aquifer recharge, brush control, weather

modification,

64-2 desalination, regionalization, and treatment or conveyance

64-3 facilities. The districts may contract under their existing

64-4 authorizations including those of Chapter 791, Government Code,
if

64-5 their contracting authority is not limited by Sections

64-6 791.011(c)(2) and (d)(3) and Section 791.014, Government Code.

64-7 SECTION 2.49. Section 36.113, Water Code, is amended by

64-8 amending Subsection (d), adding a new Subsection (e), and

64-9 relettering existing Subsections (e) and (f) as Subsections (f)
and

64-10 (g) to read as follows:

64-11 (d) Before granting or denying a permit, the district
shall

64-12 consider whether:

64-13 (1) the application conforms to the requirements
64-14 prescribed by this chapter and is accompanied by the prescribed
64-15 fees;

64-16 (2) the proposed use of water unreasonably affects
64-17 existing groundwater and surface water resources or existing

permit

64-18 holders;

64-19 (3) the proposed use of water is dedicated to any

64-20 beneficial use;
64-21 (4) the proposed use of water is consistent with
the
64-22 district's certified water management plan;
64-23 (5) the applicant has agreed to avoid waste and
64-24 achieve water conservation; and
64-25 (6) the applicant has agreed that reasonable
diligence
64-26 will be used to protect groundwater quality and that the
applicant
65-1 will follow well plugging guidelines at the time of well closure.
65-2 (e) The district may impose more restrictive permit
65-3 conditions on new permit applications and increased use by
historic
65-4 users if the limitations:
65-5 (1) apply to all subsequent new permit
applications
65-6 and increased use by historic users, regardless of type or
location
65-7 of use;
65-8 (2) bear a reasonable relationship to the existing
65-9 district management plan; and
65-10 (3) are reasonably necessary to protect existing
use.
65-11 (f) Permits may be issued subject to the rules
promulgated
65-12 by the district and subject to terms and provisions with
reference
65-13 to the drilling, equipping, completion, or alteration of wells
or
65-14 pumps that may be necessary to prevent waste and achieve water
65-15 conservation, minimize as far as practicable the drawdown of the
65-16 water table or the reduction of artesian pressure,
65-17 lessen interference between wells, or control and prevent
65-18 subsidence.
65-19 (g) [(f)] A district may require that changes in the
65-20 withdrawal and use of groundwater under a permit not be made
65-21 without the prior approval of a permit amendment issued by the
65-22 district.
65-23 SECTION 2.50. Section 36.116, Water Code, is amended to
read
65-24 as follows:
65-25 Sec. 36.116. REGULATION OF SPACING AND PRODUCTION. (a)
In
65-26 order to minimize as far as practicable the drawdown of the
water
66-1 table or the reduction of artesian pressure, to control
subsidence,
66-2 to prevent interference between wells, to prevent degradation
of
66-3 water quality, or to prevent waste, a district by rule may
66-4 regulate:
66-5 (1) [provide for] the spacing of water wells by:
66-6 (A) requiring all water wells to be spaced a

66-7 _certain distance from property lines or adjoining wells;_
66-8 _ (B) requiring wells with a certain
production_
66-9 _capacity, pump size, or other characteristic related to the_
66-10 _construction or operation of and production from a well to be_
66-11 _spaced a certain distance from property lines or adjoining
wells;_
66-12 _or_
66-13 _ (C) imposing spacing requirements adopted by
the_
66-14 _board; and_
66-15 _ (2) the production of groundwater by:_
66-16 _ (A) setting production limits on wells;_
66-17 _ (B) limiting the amount of water produced
based_
66-18 _on acreage or tract size;_
66-19 _ (C) limiting the amount of water that may
be_
66-20 _produced from a defined number of acres assigned to an
authorized_
66-21 _well site;_
66-22 _ (D) limiting the maximum amount of water
that_
66-23 _may be produced on the basis of acre-feet per acre or gallons
per_
66-24 _minute per well site per acre; or_
66-25 _ (E) any combination of the above_ [and may
66-26 regulate the production of wells].
67-1 _ (b) In promulgating any rules limiting groundwater_
67-2 _production, the district may preserve historic use before the_
67-3 _effective date of the rules to the maximum extent practicable_
67-4 _consistent with the district's comprehensive management plan
under_
67-5 _Section 36.1071._
67-6 _ (c) In regulating the production of groundwater based on_
67-7 _tract size or acreage, a district may consider the service needs
of_
67-8 _a retail water utility. For purposes of this subsection,
"retail_
67-9 _water utility" shall have the meaning provided at Section
13.002._
67-10 SECTION 2.51. Section 36.117, Water Code, is amended to
read
67-11 as follows:
67-12 Sec. 36.117. EXEMPTIONS; EXCEPTION; LIMITATIONS. (a) A
67-13 district may exempt wells from the _requirement of obtaining_
67-14 [requirements to obtain] a drilling permit, an operating permit,
or
67-15 any other permit required by this chapter or the district's
rules.
67-16 _ (b) A district may not require _any_ [a] permit _issued
by the_
67-17 _district_ for:

67-18 (1) [drilling or producing from] a well _used
solely_
67-19 _for domestic use or for providing water for livestock or
poultry on_
67-20 _a tract of land larger than 10 acres that is_ either drilled,
67-21 completed, or equipped so that it is incapable of producing more
67-22 than 25,000 gallons of groundwater a day;
67-23 (2) the drilling _of a water well used solely to
supply_
67-24 _water for a rig that is actively engaged in drilling or
exploration_
67-25 _operations for an oil or gas well permitted by the Railroad_
67-26 _Commission of Texas provided that the person holding the permit
is_
68-1 _responsible for drilling and operating the water well and the
well_
68-2 _is located on the same lease or field associated with the
drilling_
68-3 _rig;_ or [alteration of the size of a well or to restrict the
68-4 production of a well if the water produced or to be produced from
68-5 the well is used or to be used to supply the domestic needs of 10
68-6 or fewer households and a person who is a member of each
household
68-7 is either the owner of the well, a person related to the owner or
a
68-8 member of the owner's household within the second degree by
68-9 consanguinity, or an employee of the owner;]
68-10 (3) the drilling _of a water well authorized under
a_
68-11 _permit issued by the Railroad Commission of Texas under
Chapter_
68-12 _134, Natural Resources Code, or for production from such a well
to_
68-13 _the extent the withdrawals are required for mining activities_
68-14 _regardless of any subsequent use of the water._ [or alteration
of
68-15 the size of a well or to restrict the production from the well
if
68-16 the water produced or to be produced from the well is used or to
be
68-17 used to provide water for feeding livestock and poultry
connected
68-18 with farming, ranching, or dairy enterprises; or]
68-19 [(4) water wells to supply water for hydrocarbon
68-20 production activities, regardless of whether those wells are
68-21 producing, that are associated with any well permitted by the
68-22 Railroad Commission of Texas drilled before September 1, 1985.]
68-23 [(b) The board shall adopt rules determining the
68-24 applicability of Subsection (a)(3) to facilities used primarily
for
68-25 feeding livestock.]
68-26 (c) [The district shall not deny the owner of a tract of
69-1 land, or his lessee, who has no well equipped to produce more
than

69-2 25,000 gallons a day on the tract, either a permit to drill a
well
69-3 on his land or the privilege to produce groundwater from his
land,
69-4 subject to the rules of the district.]
69-5 [(d)] A district may not restrict the production of any
well
69-6 that is exempt from permitting under Subsection (b)(1)
[equipped to
69-7 produce 25,000 gallons or less a day].
69-8 (d) Notwithstanding Subsection (b), a district may
require a
69-9 well to be permitted by the district and to comply with all
69-10 district rules if:
69-11 (1) the purpose of a well exempted under
Subsection
69-12 (b)(2) is no longer solely to supply water for a rig that is
69-13 actively engaged in drilling or exploration operations for an
oil
69-14 or gas well permitted by the Railroad Commission of Texas; or
69-15 (2) the withdrawals from a well exempted under
69-16 Subsection (b)(3) are no longer necessary for mining activities
or
69-17 are greater than the amount necessary for mining activities
69-18 specified in the permit issued by the Railroad Commission of
Texas
69-19 under Chapter 134, Natural Resources Code.
69-20 (e) An entity holding a permit issued by the Railroad
69-21 Commission of Texas under Chapter 134, Natural Resources Code,
that
69-22 authorizes the drilling of a water well shall report monthly to
the
69-23 district:
69-24 (1) the total amount of water withdrawn during
the
69-25 month;
69-26 (2) the quantity of water necessary for mining
70-1 activities; and
70-2 (3) the quantity of water withdrawn for other
70-3 purposes. [Nothing in this chapter applies to wells drilled
for
70-4 oil, gas, sulphur, uranium, or brine, or for core tests, or for
70-5 injection of gas, saltwater, or other fluid, or for any other
70-6 purpose, under permits issued by the Railroad Commission of
Texas.
70-7 A district may not require a drilling permit for a well to supply
70-8 water for drilling any wells permitted by the Railroad Commission
70-9 of Texas. Any well that ceases to be used for these purposes and
70-10 is then used as an ordinary water well is subject to the rules
of
70-11 the district. Water wells drilled after September 1, 1997, to
70-12 supply water for hydrocarbon production activities must meet the
70-13 spacing requirements of the district unless no space is
available

70-14 within 300 feet of the production well or the central injection
70-15 station.]
70-16 (f) Notwithstanding Subsection (d), a district may not
70-17 require a well exempted under Subsection (b)(3) to comply with
the
70-18 spacing requirements of the district. [Water wells exempted
under
70-19 this section shall be equipped and maintained so as to conform
to
70-20 the district's rules requiring installation of casing, pipe, and
70-21 fittings to prevent the escape of groundwater from a groundwater
70-22 reservoir to any reservoir not containing groundwater and to
70-23 prevent the pollution or harmful alteration of the character of
the
70-24 water in any groundwater reservoir.]
70-25 (g) A district may not deny an application for a permit
to
70-26 drill and produce water for hydrocarbon production activities
if
71-1 the application meets all applicable rules as promulgated by
the
71-2 district.
71-3 (h) A [shall require] water well [wells] exempted
under
71-4 Subsection (a) or (b) shall:
71-5 (1) [this section to] be registered in
accordance with
71-6 rules promulgated by the district; and
71-7 (2) [before drilling. All exempt water wells
shall]
71-8 be equipped and maintained so as to conform to the district's
rules
71-9 requiring installation of casing, pipe, and fittings to prevent
the
71-10 escape of groundwater from a groundwater reservoir to any
reservoir
71-11 not containing groundwater and to prevent the pollution or
harmful
71-12 alteration of the character of the water in any groundwater
71-13 reservoir.
71-14 (i) The driller of a well exempted under Subsection (a)
or
71-15 (b) shall file the drilling log with the district.
71-16 (j) [(h)] A well to supply water for a subdivision of
land
71-17 for which a plat approval is required by Chapter 232, Local
71-18 Government Code, [law] is not exempted under Subsection (b)
[this
71-19 section].
71-20 (k) Groundwater withdrawn from a well exempt from
permitting
71-21 or regulation under this section and subsequently transported
71-22 outside the boundaries of the district is subject to any
applicable

71-23 _production and export fees under Sections 36.122 and 36.205._
71-24 _ (1) This chapter applies to water wells, including
water_
71-25 _wells used to supply water for activities related to the_
71-26 _exploration or production of hydrocarbons or minerals. This_
72-1 _chapter does not apply to production or injection wells drilled
for_
72-2 _oil, gas, sulphur, uranium, or brine, or for core tests, or for_
72-3 _injection of gas, saltwater, or other fluids, under permits
issued_
72-4 _by the Railroad Commission of Texas._
72-5 SECTION 2.52. Section 36.122, Water Code, is amended to
read
72-6 as follows:
72-7 Sec. 36.122. TRANSFER OF GROUNDWATER OUT OF DISTRICT.
72-8 (a) _If an application for a permit or an amendment to a permit_
72-9 _under Section 36.113 proposes the transfer of groundwater
outside_
72-10 _of a district's boundaries, the district may also consider the_
72-11 _provisions of this section in determining whether to grant or
deny_
72-12 _the permit or permit amendment._
72-13 _ (b) A district may promulgate rules requiring a person
to
72-14 obtain a permit _or an amendment to a permit under Section
36.113_
72-15 _from the district for the transfer of groundwater out of the
72-16 district to:
72-17 (1) increase, on or after March 2, 1997, the amount
of
72-18 groundwater to be transferred under a continuing arrangement in
72-19 effect before that date; or
72-20 (2) transfer groundwater out of the district on or
72-21 after March 2, 1997, under a new arrangement.
72-22 _ (c) Except as provided in Section 36.113(e), the
district_
72-23 _may not impose more restrictive permit conditions on
transporters_
72-24 _than the district imposes on existing in-district users._
72-25 _ (d) [(b)] The district may impose a reasonable fee for
72-26 processing an application [for a permit] under this section.
The
73-1 _fee may not exceed fees that the district imposes for
processing_
73-2 _other applications under Section 36.113. An application filed
to_
73-3 _comply with this section shall be considered and processed
under_
73-4 _the same procedures as other applications for permits under
Section_
73-5 _36.113 and shall be combined with applications filed to obtain
a_
73-6 _permit for in-district water use under Section 36.113 from the
same_

73-7 _applicant._
73-8 _ (e) The district may impose a reasonable fee or
surcharge_
73-9 _for an export fee using one of the following methods:_
73-10 _ (1) a fee negotiated between the district and the_
73-11 _transporter;_
73-12 _ (2) a rate not to exceed the equivalent of the_
73-13 _district's tax rate per hundred dollars of valuation for each_
73-14 _thousand gallons of water transferred out of the district or
2.5_
73-15 _cents per thousand gallons of water, if the district assesses a
tax_
73-16 _rate of less than 2.5 cents per hundred dollars of valuation;
or_
73-17 _ (3) for a fee-based district, a 50 percent export_
73-18 _surcharge, in addition to the district's production fee, for
water_
73-19 _transferred out of the district._
73-20 _ (f) [(c) Before issuing a permit under this section,
the
73-21 district must give notice of the application and hold a public
73-22 hearing.]
73-23 [(d)] In _reviewing a proposed transfer of groundwater
out of_
73-24 _the district_ [determining whether to issue a permit under this
73-25 section], the district shall consider:
73-26 (1) the availability of water in the district and
in
74-1 the proposed receiving area during the period for which the water
74-2 supply is requested;
74-3 (2) [the availability of feasible and practicable
74-4 alternative supplies to the applicant;]
74-5 [(3) the amount and purposes of use in the proposed
74-6 receiving area for which water is needed;]
74-7 [(4)] the projected effect of the proposed transfer
on
74-8 aquifer conditions, depletion, subsidence, or effects on existing
74-9 permit holders or other groundwater users within the district;
and
74-10 _ (3) [(5)] the approved regional water plan and
74-11 certified district management plan.
74-12 _ (g) [(e)] The district may _not deny a permit based on
the_
74-13 _fact that the applicant seeks to transfer groundwater outside
of_
74-14 _the district but may_ limit a permit issued under this section
if
74-15 conditions in Subsection _ (f) [(d)] warrant the limitation_,
subject_
74-16 _to Subsection (c)_.
74-17 _ (h) [(f)] In addition to conditions provided by Section
74-18 36.1131, the permit shall specify:
74-19 (1) the amount of water that may be transferred out
of

74-20 the district; and
74-21 (2) the period ___for which the water may be
transferred.
74-22 (i) The period specified by Subsection (h) (2) shall be:_
74-23 (1) at least three years if construction of a_
74-24 conveyance system has not been initiated prior to the issuance
of_
74-25 the permit; or_
74-26 (2) at least 30 years if construction of a
conveyance_
75-1 system has been initiated prior to the issuance of the permit._
75-2 (j) A term under Subsection (i) (1) shall automatically_
be_
75-3 extended to the terms agreed to under Subsection (i) (2) if_
75-4 construction of a conveyance system is begun before the
expiration_
75-5 of the initial term._
75-6 (k) Notwithstanding the period specified in Subsections
(i)
75-7 and (j) during which water may be transferred under a permit, a_
75-8 district may periodically review the amount of water that may
be_
75-9 transferred under the permit and may limit the amount if
additional_
75-10 factors considered in Subsection (f) warrant the limitation,_
75-11 subject to Subsection (c). The review described by this
subsection_
75-12 may take place not more frequently than the period provided for
the_
75-13 review or renewal of regular permits issued by the district.
In_
75-14 its determination of whether to renew a permit issued under
this_
75-15 section, the district shall consider relevant and current data
for_
75-16 the conservation of groundwater resources and shall consider
the_
75-17 permit in the same manner it would consider any other permit in
the_
75-18 district._
75-19 (l) A district is prohibited from using revenues
obtained_
75-20 under Subsection (e) to prohibit the transfer of groundwater_
75-21 outside of a district. A district is not prohibited from
using_
75-22 revenues obtained under Subsection (e) for paying expenses
related_
75-23 to enforcement of this chapter or district rules._
75-24 (m) [(g)] A district may not prohibit the export of
75-25 groundwater if the purchase was in effect on or before June 1,
75-26 1997.
76-1 (n) [(h)] This section applies only to a transfer of
water

76-2 that is permitted [initiated or increased] after September 1,
1997
76-3 [the effective date of this section].

76-4 (o) [(i)] A district shall adopt rules as necessary to
76-5 implement this section but may not adopt rules expressly
76-6 prohibiting the export of groundwater.

76-7 (p) Subsection (e) does not apply to a district that is
76-8 collecting an export fee or surcharge on March 1, 2001.

76-9 (q) In applying this section, a district must be fair,
76-10 impartial, and nondiscriminatory.

76-11 SECTION 2.53. Section 36.205, Water Code, is amended to
read

76-12 as follows:

76-13 Sec. 36.205. AUTHORITY TO SET FEES. (a) A district may
set

76-14 fees for administrative acts of the district, such as filing
76-15 applications. Fees set by a district may not unreasonably
exceed

76-16 the cost to the district of performing the administrative
function
76-17 for which the fee is charged.

76-18 (b) A district shall set and collect fees for all
services

76-19 provided outside the boundaries of the district. The fees may
not

76-20 unreasonably exceed the cost to the district of providing the
76-21 services outside the district.

76-22 (c) A district may assess production fees based on the
76-23 amount of water authorized by permit to be withdrawn from a

well or
76-24 the amount actually withdrawn. A district may assess the fees
in

76-25 lieu of, or in conjunction with, any taxes otherwise levied by
the

76-26 district. A district may use revenues generated by the fees
for

77-1 any lawful purpose. Production fees [Fees based on the amount
of

77-2 water to be withdrawn from a well] shall not exceed:
77-3

(1) \$1 [one dollar] per acre-foot payable
annually

77-4 [acre foot] for water used for agricultural use [the purpose of
77-5 irrigating agricultural crops]; or

77-6 (2) \$10 per acre-foot payable annually [17 cents
per

77-7 thousand gallons] for water used for any other purpose.

77-8 (d) The Barton Springs-Edwards Aquifer Conservation
77-9 District, the Lone Star Groundwater Conservation District, and
the

77-10 Guadalupe County Groundwater Conservation District may not
charge

77-11 production fees for an annual period greater than \$1 per acre-
foot

77-12 for water used for agricultural use or 17 cents per thousand

77-13 gallons for water used for any other purpose. The Barton_
77-14 Springs-Edwards Aquifer Conservation District_ [A district
affected
77-15 by Subsection (c) (2) that also] may assess a water use fee
against
77-16 a specific municipality _in_ [shall assess] an amount not to
exceed
77-17 60 percent of the total funding of the district received from
water
77-18 use fees assessed against that municipality and other nonexempt
77-19 users in the district. This subsection shall take precedence
over
77-20 all prior enactments.
77-21 (e) Subsection (c) does not apply to the following
77-22 districts:
77-23 (1) the Edwards Aquifer Authority;
77-24 (2) the Fort Bend Subsidence District; [or]
77-25 (3) the Harris-Galveston Coastal Subsidence
District;_
77-26 (4) the Barton Springs-Edwards Aquifer
Conservation_
78-1 District; or_
78-2 (5) any district that collects a property tax and
that_
78-3 was created before September 1, 1999, unless otherwise
authorized_
78-4 by special law_.
78-5 (f) A district, including a district described under_
78-6 Subsection (d), may assess a production fee under Subsection
(c)_
78-7 for any water produced under an exemption under Section 36.117
if_
78-8 that water is subsequently sold to another person._
78-9 (g) A district may assess a transportation fee under
Section_
78-10 36.122._
78-11 SECTION 2.54. Section 36.206, Water Code, is amended by
78-12 amending Subsection (b) and adding Subsection (c) to read as
78-13 follows:
78-14 (b) The rate of fees set for [crop or livestock
production
78-15 or other] agricultural uses shall be no more than 20 percent of
the
78-16 rate applied to municipal uses.
78-17 (c) District fees may not be used to purchase
groundwater_
78-18 rights unless the purchased rights are acquired for
conservation_
78-19 purposes and are permanently held in trust not to be produced._
78-20 SECTION 2.55. Subchapter I, Chapter 36, Water Code, is
78-21 amended by adding Section 36.3011 to read as follows:
78-22 Sec. 36.3011. FAILURE OF A DISTRICT TO CONDUCT JOINT_
78-23 PLANNING. (a) If the board of a district within a common_
78-24 management area fails to forward a copy of its new or revised_

78-25 _certified management plan under Section 36.108, the commission_
78-26 _shall take appropriate action under Section 36.303._
79-1 _ (b) Not later than the 45th day after receiving the
review_
79-2 _panel's report under Section 36.108, the executive director or
the_
79-3 _commission shall take action to implement any or all of the
panel's_
79-4 _recommendations. If the commission finds that a district in
the_
79-5 _joint planning area has failed to adopt rules, the groundwater
in_
79-6 _the management area is not adequately protected by the rules_
79-7 _adopted by the district, or the groundwater in the management
area_
79-8 _is not adequately protected because of the district's failure
to_
79-9 _enforce substantial compliance with its rules, the commission
may_
79-10 _take any action it considers necessary in accordance with
Section_
79-11 _36.303._
79-12 SECTION 2.56. Subsection (a), Section 36.303, Water Code,
is
79-13 amended to read as follows:
79-14 (a) If Section 36.108, 36.301, or 36.302(f) applies,
the
79-15 commission, after notice and hearing in accordance with Chapter
79-16 2001, Government Code, shall take action the commission
considers
79-17 appropriate, including:
79-18 (1) issuing an order requiring the district to take
79-19 certain actions or to refrain from taking certain actions;
79-20 (2) dissolving the board in accordance with
Sections
79-21 36.305 and 36.307 and calling an election for the purpose of_
79-22 _electing a new board_;
79-23 (3) requesting the attorney general to bring suit
for_
79-24 _the appointment of a receiver to collect the assets and carry
on_
79-25 _the business of the groundwater conservation district_
[removing the
79-26 district's taxing authority]; or
80-1 (4) dissolving the district in accordance with
80-2 Sections 36.304, 36.305, and 36.308.
80-3 SECTION 2.57. Subchapter I, Chapter 36, Water Code, is
80-4 amended by adding Section 36.3035 to read as follows:
80-5 Sec. 36.3035. APPOINTMENT OF A RECEIVER. (a) If the_
80-6 _attorney general brings a suit for the appointment of a
receiver_
80-7 _for a district, a district court shall appoint a receiver if an_
80-8 _appointment is necessary to protect the assets of the district._

80-9 _(b) The receiver shall execute a bond in an amount to be
set_
80-10 _by the court to ensure the proper performance of the
receiver's_
80-11 _duties._
80-12 _(c) After appointment and execution of bond, the
receiver_
80-13 _shall take possession of the assets of the district specified
by_
80-14 _the court._
80-15 _(d) Until discharged by the court, the receiver shall_
80-16 _perform the duties that the court directs to preserve the
assets_
80-17 _and carry on the business of the district and shall strictly_
80-18 _observe the final order involved._
80-19 _(e) On a showing of good cause by the district, the
court_
80-20 _may dissolve the receivership and order the assets and control
of_
80-21 _the business returned to the district._
80-22 SECTION 2.58. Section 51.149, Water Code, is amended to
read
80-23 as follows:
80-24 Sec. 51.149. CONTRACTS. _(a) No approvals other than
those_
80-25 _specified in Subsection (c) and in Section 1, Chapter 778, Acts
of_
80-26 _the 74th Legislature, Regular Session, 1995, need be obtained
in_
81-1 _order for a contract between a district and a municipality to
be_
81-2 _valid, binding, and enforceable against all parties to the_
81-3 _contract. After approval by a majority of the electors voting
at_
81-4 _an election conducted in the manner of a bond election, a
district_
81-5 _may make payments under a contract from taxes for debt that
does_
81-6 _not exceed 30 years._
81-7 _(b) [(d)] A contract may provide that the district will
make
81-8 payments under the contract from proceeds from the sale of notes
or
81-9 bonds, from taxes, from any other income of the district, or from
81-10 any combination of these.
81-11 _(c) [(e)] A district may make payments under a contract
from
81-12 taxes, other than maintenance taxes, after the provisions of the
81-13 contract have been approved by a majority of the electors voting
at
81-14 an election held for that purpose.
81-15 _(d) [(f)] Any contract election may be held at the same
time
81-16 as and in conjunction with an election to issue bonds, and the

81-17 procedure for calling the election, giving notice, conducting
the
81-18 election, and canvassing the returns shall be the same as the
81-19 procedure for a bond election.

81-20 (e) A district created pursuant to Chapter 628, Acts of
the
81-21 68th Legislature, Regular Session, 1983, is defined as a
municipal
81-22 corporation and political subdivision pursuant to Chapter 405,
Acts
81-23 of the 76th Legislature, Regular Session, 1999, and is
authorized
81-24 to take action accordingly.

81-25 SECTION 2.59. Subsection (a), Section 182.052, Utilities
81-26 Code, is amended to read as follows:

82-1 (a) Except as provided by Section 182.054, a
82-2 government-operated utility may not disclose personal information
82-3 in a customer's account record, or any information relating to
the
82-4 volume or units of utility usage or the amounts billed to or
82-5 collected from the individual for utility usage, if the
customer
82-6 requests that the government-operated utility keep the
information
82-7 confidential. However, a government-operated utility may
disclose
82-8 information related to the customer's volume or units of
utility
82-9 usage or amounts billed to or collected from the individual for
82-10 utility usage if the primary source of water for such utility
was a
82-11 sole-source designated aquifer.

82-12 SECTION 2.60. Section 1.03, Chapter 626, Acts of the 73rd
82-13 Legislature, Regular Session, 1993, is amended by adding
82-14 Subdivisions (26) and (27) to read as follows:

82-15 (26) "Agricultural use" means any use or activity
82-16 involving any of the following activities:

82-17 (A) cultivating the soil to produce crops
for
82-18 human food, animal feed, or planting seed or for the production
of
82-19 fibers;

82-20 (B) the practice of floriculture,
viticulture,
82-21 silviculture, and horticulture, including the cultivation of
plants
82-22 in containers or nonsoil media, by a nursery grower;

82-23 (C) raising, feeding, or keeping animals
for
82-24 breeding purposes or for the production of food or fiber,
leather,

82-25 pelts, or other tangible products having a commercial value;
82-26 (D) wildlife management;

83-1 (E) raising or keeping equine animals; and

83-2 _(F) planting cover crops, including cover
crops_
83-3 _cultivated for transplantation, or leaving land idle for the_
83-4 _purpose of participating in any governmental program or normal
crop_
83-5 _or livestock rotation procedure._
83-6 _(27) "Nursery grower" means a person who grows
more_
83-7 _than 50 percent of the products that the person either sells or_
83-8 _leases, regardless of the variety sold, leased, or grown. For_
the_
83-9 _purpose of this definition, "grow" means the actual cultivation
or_
83-10 _propagation of the product beyond the mere holding or
maintaining_
83-11 _of the item before sale or lease and typically includes
activities_
83-12 _associated with the production or multiplying of stock, such as
the_
83-13 _development of new plants from cuttings, grafts, plugs, or_
83-14 _seedlings._
83-15 SECTION 2.61. Subsection (e), Section 1.29, Chapter 626,
83-16 Acts of the 73rd Legislature, Regular Session, 1993, is amended
to
83-17 read as follows:
83-18 (e) In developing an equitable fee structure under this
83-19 section, the authority may establish different fee rates on a
per
83-20 acre-foot basis for different types of use. The fees must be
83-21 equitable between types of uses. The fee rate for agricultural
use
83-22 shall be based on the volume of water withdrawn and may not be
more
83-23 than _\$2 per acre-foot_ [20 percent of the fee rate for
municipal
83-24 use]. The authority shall assess the fees on the amount of
water a
83-25 permit holder is authorized to withdraw under the permit.
83-26 SECTION 2.62. Section 1.44, Chapter 626, Acts of the 73rd
84-1 Legislature, Regular Session, 1993, is amended by adding
Subsection
84-2 (e) to read as follows:
84-3 _(e) The authority may contract for injection or
artificial_
84-4 _recharge under this section only if provision is made for_
84-5 _protecting and maintaining the quality of groundwater in the_
84-6 _receiving part of the aquifer, and:_
84-7 _(1) the water used for artificial recharge is_
84-8 _groundwater withdrawn from the aquifer; or_
84-9 _(2) the water is recharged through a natural
recharge_
84-10 _feature._
84-11 SECTION 2.63. Subsections (a) and (b), Section 4.03,
Chapter

84-12 1029, Acts of the 76th Legislature, Regular Session, 1999, are
84-13 amended to read as follows:

84-14 (a) The authority may establish fees, rates, and
84-15 charges, and classifications of fee payers and ratepayers, as necessary
84-16 to
84-17 enable the authority to fulfill the authority's purposes and
84-18 regulatory obligations provided by this Act.

84-19 (b) The authority may charge against the owner of a well
84-20 located in the authority's boundaries a fee on the amount of
84-21 water
84-22 pumped from the well. The board shall establish the rate of a
84-23 fee
84-24 under this subsection only after a special meeting on the fee.

84-25 The
84-26 board shall by rule exempt from the fee under this subsection
84-27 those
84-28 classes of wells that are not subject to groundwater reduction
84-29 requirements imposed by the subsidence district, except that if
84-30 any
84-31 of those classes of wells become subject at a future date to a
84-32 groundwater reduction requirement imposed by the subsidence
85-1 district, then the authority may after that date charge the fee
85-2 under this subsection to those affected classes of wells. The
85-3 board by rule may exempt any other classes of wells from the
85-4 fee
85-5 under this subsection. The board may not apply the fee to a
85-6 well:

- 85-5 (1) with a casing diameter of less than five inches
- 85-6 that serves a single-family dwelling;
- 85-7 (2) regulated under Chapter 27, Water Code;
- 85-8 (3) used for irrigation of agricultural crops; or
- 85-9 (4) [that produces 10 million gallons or less
- 85-10 annually; or]
- 85-11 [(5)] used solely for electric generation.

85-12 ARTICLE 3. DISTRICT RATIFICATIONS AND CREATIONS

85-13 PART 1. COW CREEK GROUNDWATER CONSERVATION DISTRICT

85-14 SECTION 3.0101. RATIFICATION OF CREATION. (a) The
85-15 creation

85-16 of the Cow Creek Groundwater Conservation District in Kendall
85-17 County by Chapter 1331, Acts of the 76th Legislature, Regular
85-18 Session, 1999, is ratified as required by Section 15(a) of that
85-19 chapter, subject to approval at a confirmation election under
85-20 Section 3.0108 of this part. The district is a governmental
85-21 agency
85-22 and a body politic and corporate.

85-23 (b) The district may develop and implement regulatory,
85-24 conservation, and recharge programs that preserve and protect
85-25 groundwater resources located in the district.

85-26 SECTION 3.0102. DEFINITIONS. In this part:

- 86-1 (1) "District" means the Cow Creek Groundwater
86-2 Conservation District.
- (2) "Retail public utility" means a retail public

86-2 utility as defined by Section 13.002, Water Code, that is
providing
86-3 service in the district on September 1, 2001.
86-4 (3) "Well" means any excavation drilled or dug into
86-5 the ground that may intercept or penetrate a water-bearing
stratum
86-6 or formation.
86-7 SECTION 3.0103. BOUNDARIES. The boundaries of the
district
86-8 are coextensive with the boundaries of Kendall County.
86-9 SECTION 3.0104. POWERS. Except as otherwise provided by
86-10 this part, the district has all of the rights, powers,
privileges,
86-11 authority, functions, and duties provided by the general law of
the
86-12 state, including Chapter 36, Water Code, applicable to
groundwater
86-13 conservation districts created under Section 59, Article XVI,
Texas
86-14 Constitution. This part prevails over any provision of general
86-15 law, including Chapter 36, Water Code, or Chapter 1331, Acts of
the
86-16 76th Legislature, Regular Session, 1999, that is in conflict or
86-17 inconsistent with this part.
86-18 SECTION 3.0105. BOARD OF DIRECTORS. (a) The district is
86-19 governed by a board of five directors.
86-20 (b) Temporary directors serve until initial directors are
86-21 elected under Sections 3.0108 and 3.0109 of this part or until
this
86-22 part expires under Section 3.0108 of this part, whichever occurs
86-23 first.
86-24 (c) Initial directors serve until permanent directors are
86-25 elected under Section 3.0110 of this part.
86-26 (d) Permanent directors serve staggered four-year terms.
87-1 (e) A director serves until the director's successor has
87-2 qualified.
87-3 (f) Each director must qualify to serve as director in the
87-4 manner provided by Section 36.055, Water Code.
87-5 (g) A vacancy in the office of director is filled by
87-6 appointment of the board until the next election for directors.
At
87-7 the next election for directors, a person shall be elected to
fill
87-8 the position. If the position is not scheduled to be filled at
the
87-9 election, the person elected to fill the position shall serve
only
87-10 for the remainder of the unexpired term.
87-11 SECTION 3.0106. METHOD OF ELECTING DIRECTORS:
COMMISSIONERS
87-12 PRECINCTS. (a) The directors of the district shall be elected
87-13 according to the commissioners precinct method as provided by
this
87-14 part.

87-15 (b) One director shall be elected by the qualified voters
87-16 of
87-17 the entire district and one director shall be elected from each
87-18 county commissioners precinct by the qualified voters of that
87-19 precinct.

87-19 (c) A person shall indicate on the application for a
87-20 place
87-21 on the ballot the precinct that the person seeks to represent or
87-22 that the person seeks to represent the district at large.

87-22 (d) When the boundaries of the commissioners precincts
87-23 are
87-24 changed, each director in office on the effective date of the
87-25 change or elected to a term of office beginning on or after the
87-26 effective date of the change serves in the precinct to which the
87-26 director was elected for the entire term to which the director

87-26 was
88-1 elected, even though the change in boundaries places the person's
88-2 residence outside the precinct for which the person was elected.

88-3 (e) To be eligible to be a candidate for or to serve as
88-4 director from a county commissioners precinct, a person must be a
88-5 registered voter in the precinct from which the person is elected
88-6 or appointed. To be eligible to be a candidate for or to serve

88-6 as
88-7 director at large, a person must be a registered voter in the
88-8 district.

88-9 SECTION 3.0107. TEMPORARY DIRECTORS. (a) The temporary
88-10 board of directors shall be appointed by the county
88-11 commissioners

88-11 court. One temporary director shall be appointed from each
88-12 commissioners precinct, and one temporary director shall be a
88-13 director at large.

88-14 (b) If a temporary director fails to qualify for office,
88-15 the
88-16 temporary directors who have qualified shall appoint a person to
88-17 fill the vacancy. If at any time there are fewer than three
88-18 qualified temporary directors, the Texas Natural Resource
88-19 Conservation Commission shall appoint the necessary number of
88-20 persons to fill all vacancies on the board.

88-20 SECTION 3.0108. CONFIRMATION AND INITIAL DIRECTORS
88-21 ELECTION.

88-21 (a) The temporary board of directors shall call and hold an
88-22 election to confirm establishment of the district and to elect
88-23 five
88-24 initial directors.

88-24 (b) A person who wishes to be a candidate for the office
88-25 of
88-26 initial director may file an application with the temporary
88-26 board
88-26 of directors to have the candidate's name printed on the ballot
89-1 as
89-1 provided by Section 3.0106 of this part.

89-2 (c) At the confirmation and initial directors election,
89-3 the
89-3 temporary board of directors shall have the names of the five

89-4 persons serving as temporary directors placed on the ballot by
89-5 commissioners precinct and as at-large director, together with
the
89-6 name of any candidate filing for the office of director as
provided
89-7 by this section.

89-8 (d) If a majority of the votes cast at the election favor
89-9 the creation of the district, the temporary directors shall
declare
89-10 the district created. If a majority of the votes cast at the
89-11 election are against the creation of the district, the temporary
89-12 directors shall declare the district defeated. The temporary
89-13 directors shall file a copy of the election results with the
Texas
89-14 Natural Resource Conservation Commission.

89-15 (e) If a majority of the votes cast at the election are
89-16 against the creation of the district, the temporary directors
may
89-17 call and hold subsequent elections to confirm establishment of
the
89-18 district and to elect initial directors. A subsequent election
may
89-19 not be held earlier than the first anniversary of the date on
which
89-20 the previous election was held. If the district is not created
89-21 before September 1, 2006, this part expires on that date.

89-22 (f) Section 41.001(a), Election Code, does not apply to a
89-23 confirmation and initial directors election held under this
89-24 section.

89-25 (g) Section 36.017(a), Water Code, does not apply to the
89-26 district.

90-1 (h) Except as provided by this section, a confirmation and
90-2 directors election must be conducted as provided by Sections
90-3 36.017(b)-(h), Water Code, and the Election Code.

90-4 SECTION 3.0109. INITIAL DIRECTORS. (a) If the district
is
90-5 created at the election, the temporary directors, at the time the
90-6 vote is canvassed, shall declare the candidate receiving the most
90-7 votes for each commissioners precinct or for the at-large
director
90-8 to be elected as the initial directors.

90-9 (b) The initial directors for Precincts 2 and 3 serve
until
90-10 the first regular meeting of the board of directors held after
the
90-11 first permanent directors election under Section 3.0110 of this
90-12 part. The initial directors for Precincts 1 and 4 and the
initial
90-13 director representing the district at large serve until the
first
90-14 regular meeting of the board of directors held after the second
90-15 permanent directors election under Section 3.0110 of this part.

90-16 SECTION 3.0110. ELECTION OF PERMANENT DIRECTORS.

Beginning

90-17 in the second year after the year in which the district is
90-18 authorized to be created at a confirmation election, an election
90-19 shall be held in the district on the first Saturday in May every
90-20 two years to elect the appropriate number of directors to the
90-21 board.

90-22 SECTION 3.0111. ADDITIONAL AUTHORITY. (a) The district
may

90-23 contract with one or more state agencies or other governmental
90-24 bodies, including a county, a river authority, or another
district,
90-25 to carry out any function of the district.

90-26 (b) The district may require a drilling permit before a
new

91-1 well is drilled or an existing well is substantially altered.
91-2 Notwithstanding an exemption for a well under Section 36.117,

Water

91-3 Code, written authorization granted by the district must be
91-4 received before a new well is drilled or an existing well is
91-5 substantially altered.

91-6 (c) The district may participate in the construction,
91-7 implementation, and maintenance of best management practices for
91-8 water resource management in the district and may engage in and
91-9 promote the acceptance of best management practices through
91-10 education efforts sponsored by the district. Construction,
91-11 implementation, and maintenance of best management practices

must

91-12 address water quantity and quality practices such as brush
91-13 management, prescribed grazing, recharge structures, water and
silt

91-14 detention and retention structures, plugging of abandoned wells,
91-15 rainwater harvesting, and other treatment measures for the
91-16 conservation of water resources.

91-17 (d) Reasonable fees, as determined by the district, may
be

91-18 imposed on an annual basis on each nonexempt well. The district
91-19 shall adopt any rules necessary for the assessment and
collection

91-20 of fees under this subsection.

91-21 (e) The district may use money collected from fees:

91-22 (1) in any manner necessary for the management and
91-23 operation of the district;

91-24 (2) to pay all or part of the principal of and
91-25 interest on district bonds or notes; and

91-26 (3) for any purpose consistent with the district's
92-1 certified water management plan.

92-2 (f) The district shall grant an exemption or other relief
92-3 from ad valorem taxes on property on which a water conservation
92-4 initiative has been implemented. The district shall adopt rules
to

92-5 implement this subsection. A retail public utility shall receive
92-6 the same exemption or relief from ad valorem taxes on property as
92-7 any other customer of the district would receive.

92-8 (g) As a water conservation initiative to encourage retail
92-9 public utilities to obtain water supplies from sources other than

92-10 groundwater, the district shall grant an exemption or other
relief
92-11 from ad valorem taxes on property served by a retail public
utility
92-12 based on:
92-13 (1) the percentage of potable water supplied within
92-14 the district by the retail public utility from sources other
than
92-15 groundwater compared to the total water supplied by the retail
92-16 public utility for the preceding year; and
92-17 (2) the percentage of wastewater effluent produced
by
92-18 the retail public utility that is used as reclaimed water within
92-19 the district compared to the total wastewater effluent produced
by
92-20 the retail public utility for the preceding year. The district
92-21 may consider the impact of floods and equipment breakage on the
92-22 retail public utility's ability to supply water from sources
other
92-23 than groundwater.

92-24 (h) The total amount of the exemption or other relief
from
92-25 ad valorem taxes may not exceed one-half of the tax levied by
the
92-26 district.

93-1 SECTION 3.0112. PROHIBITED ACTS. The district may not:

93-2 (1) impose an ad valorem property tax for
93-3 administrative, operation, or maintenance expenses that exceeds
the
93-4 lesser of the rate approved by the majority of the qualified
voters
93-5 voting in the election authorizing the tax, or three cents per
\$100
93-6 valuation;

93-7 (2) require the owner of a well used solely for
93-8 domestic or livestock purposes to install a meter or measuring
93-9 device on the well;

93-10 (3) enter into any contract or engage in any action
to

93-11 supply water to any person in the service area of any
municipality

93-12 or retail public utility located in the district, except with
the

93-13 consent of the municipality or retail public utility; or

93-14 (4) issue any bonds secured by ad valorem taxes

before

93-15 September 1, 2004.

93-16 PART 2. CROSSROADS GROUNDWATER CONSERVATION DISTRICT

93-17 SECTION 3.0201. RATIFICATION OF CREATION. The creation
of

93-18 the Crossroads Groundwater Conservation District in Victoria
County

93-19 by Chapter 1331, Acts of the 76th Legislature, Regular Session,

93-20 1999, is ratified as required by Section 15(a) of that chapter,

93-21 subject to approval at a confirmation election under Section
3.0210
93-22 of this part.
93-23 SECTION 3.0202. DEFINITIONS. In this part:
93-24 (1) "Board" means the district's board of
directors.
93-25 (2) "Commissioners court" means the Victoria County
93-26 Commissioners Court.
94-1 (3) "District" means the Crossroads Groundwater
94-2 Conservation District.
94-3 SECTION 3.0203. LEGISLATIVE FINDINGS. The legislature
finds
94-4 that:
94-5 (1) the organization of the district is feasible and
94-6 practicable;
94-7 (2) all of the land to be included in, and the
94-8 residents of, the district will benefit from the creation of the
94-9 district;
94-10 (3) there is a public necessity for the district;
and
94-11 (4) the creation of the district will provide a
94-12 benefit and utility to the public.
94-13 SECTION 3.0204. BOUNDARIES. The boundaries of the
district
94-14 are coextensive with the boundaries of Victoria County.
94-15 SECTION 3.0205. APPLICATION OF CHAPTER 36, WATER CODE;
94-16 GENERAL POWERS AND DUTIES. (a) Except to the extent of any
94-17 conflict with this part or as specifically limited by this part,
94-18 the district is governed by and subject to Chapter 36, Water
Code,
94-19 and may exercise all of the powers contained in that chapter,
94-20 including the power to issue bonds and levy and collect taxes
and
94-21 the power of eminent domain. The district may exercise all of
the
94-22 duties provided by Chapter 36, Water Code.
94-23 (b) This part prevails over any conflicting or
inconsistent
94-24 provision of Chapter 1331, Acts of the 76th Legislature, Regular
94-25 Session, 1999.
94-26 SECTION 3.0206. BOARD OF DIRECTORS. (a) The district is
95-1 governed by a board of seven directors.
95-2 (b) The directors for Places 1-4 are appointed by the
95-3 commissioners court. The directors for Places 5-7 are appointed
by
95-4 the city council of the City of Victoria.
95-5 (c) The directors shall select from their members persons
to
95-6 serve as chairman, vice chairman, and secretary.
95-7 SECTION 3.0207. QUALIFICATIONS OF BOARD MEMBERS. To be
95-8 qualified for appointment as a director, a person must be a
95-9 resident of the district and must be at least 18 years of age.
95-10 SECTION 3.0208. TERM OF OFFICE. (a) Except for the
95-11 temporary and initial directors of the district, directors serve

95-12 staggered four-year terms.
95-13 (b) A vacancy in the office of director is filled for the
95-14 remainder of the term by appointment by the commissioners court
or
95-15 the city council of the City of Victoria, as appropriate.

95-16 SECTION 3.0209. TEMPORARY DIRECTORS. (a) On September
1,

95-17 2001, the following persons are designated as temporary
directors

95-18 of the district:

- 95-19 (1) Place 1: Mark Dierlam
- 95-20 (2) Place 2: Rocky Sanders
- 95-21 (3) Place 3: S. F. Ruschhaupt III
- 95-22 (4) Place 4: Joseph Dial
- 95-23 (5) Place 5: Stephen Diebel
- 95-24 (6) Place 6: Jerry James
- 95-25 (7) Place 7: Denise McCue

95-26 (b) If a temporary director fails to qualify for office
or

96-1 if a vacancy occurs in the office of temporary director for any
96-2 reason, the commissioners court shall appoint a person to fill a
96-3 vacancy in Place 1, 2, 3, or 4, and the city council of the City
of

96-4 Victoria shall appoint a person to fill a vacancy in Place 5, 6,
or

96-5 7.

96-6 (c) The temporary directors shall select from their
members
96-7 persons to serve as chairman, vice chairman, and secretary.

96-8 (d) The temporary directors serve until they declare the
96-9 district created, at which time they become the initial directors
96-10 of the district under Section 3.0211 of this part.

96-11 (e) To be qualified to serve as a temporary director, a
96-12 person must be a resident of Victoria County and at least 18
years
96-13 of age.

96-14 SECTION 3.0210. CONFIRMATION ELECTION. (a) Not later
than

96-15 October 1, 2001, and without the necessity of having a petition
96-16 presented, the temporary directors shall meet and call an
election

96-17 to be held not later than January 1, 2002, within the boundaries
of
96-18 the proposed district to confirm the creation of the district.

96-19 (b) Section 41.001(a), Election Code, does not apply to
an
96-20 election called under this section.

96-21 (c) The ballot for the election shall be printed to
provide
96-22 for a vote for or against the following propositions:

96-23 (1) the creation of the Crossroads Groundwater
96-24 Conservation District in Victoria County; and

96-25 (2) the levy and collection of a property tax in
the

96-26 district.

97-1 (d) The temporary board may include other propositions on
97-2 the ballot that it considers necessary.

97-3 (e) If a majority of votes cast at the election favor the
97-4 creation of the district, the temporary directors shall declare
the
97-5 district created. If a majority of the votes cast at the
election
97-6 are against the creation of the district, the temporary directors
97-7 shall declare the district defeated. The temporary directors
shall
97-8 file a copy of the election results with the Texas Natural
Resource
97-9 Conservation Commission.

97-10 (f) If the creation of the district is defeated, further
97-11 elections may be called and held after the first anniversary of
the
97-12 most recent confirmation election. If the district is not
created
97-13 by September 1, 2006, this part expires.

97-14 SECTION 3.0211. INITIAL DIRECTORS. (a) On confirmation
of
97-15 the creation of the district under Section 3.0210 of this part,
the
97-16 temporary directors become the initial directors of the district
97-17 and serve terms as provided by Subsection (b) of this section,
97-18 except that not later than the 60th day after the date on which
the
97-19 temporary directors declare the district created, the
commissioners
97-20 court may replace any director in Places 1-4 and the city
council
97-21 of the City of Victoria may replace any director in Places 5-7.

97-22 (b) The initial directors for Places 1, 3, 5, and 7 serve
97-23 for four years following the confirmation of the district. The
97-24 initial directors for Places 2, 4, and 6 serve for two years
97-25 following the confirmation of the district.

97-26 (c) If, for any reason, an appointed director is not
98-1 qualified to take office at the first regular meeting of the
board
98-2 following the director's appointment, the director for that place
98-3 shall continue to serve until a successor has qualified.

98-4 SECTION 3.0212. LIMITATION ON TAXATION. The district may
98-5 not impose an ad valorem tax at a rate that exceeds two cents on
98-6 the \$100 valuation of taxable property in the district.

98-7 PART 3. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT

98-8 SECTION 3.0301. RATIFICATION OF CREATION. The creation by
98-9 Chapter 1331, Acts of the 76th Legislature, Regular Session,
1999,
98-10 of the Hays Trinity Groundwater Conservation District in Hays
98-11 County is ratified as required by Section 15(a) of that Act,
98-12 subject to approval at a confirmation election under Section
3.0309
98-13 of this part.

98-14 SECTION 3.0302. DEFINITION. In this part, "district"
98-15 means
98-16 the Hays Trinity Groundwater Conservation District.
98-17 SECTION 3.0303. BOUNDARIES. The boundaries of the
98-18 district
98-19 are coextensive with the boundaries of Hays County, Texas,
98-20 excluding any area in Hays County that is, on the effective date
98-21 of
98-22 this Act, within another groundwater conservation district with
98-23 authority to require a permit to drill or alter a well for the
98-24 withdrawal of groundwater. Not later than the 30th day after
98-25 the
98-26 date of the first meeting of the board of directors of the
98-27 district, and before a confirmation election is held, the board
98-28 shall prepare and file a description of district boundaries with
98-29 the Hays County clerk and the Texas Natural Resource
98-30 Conservation
98-31 Commission.

99-1 SECTION 3.0304. GENERAL POWERS. (a) The district has all
99-2 of the rights, powers, privileges, authority, functions, and
99-3 duties
99-4 provided by the general law of this state, including Chapter 36,
99-5 Water Code, applicable to groundwater conservation districts
99-6 created under Section 59, Article XVI, Texas Constitution. This
99-7 part prevails over any provision of general law that is in
99-8 conflict
99-9 or inconsistent with this part, including any provision of
99-10 Chapter
99-11 1331, Acts of the 76th Legislature, Regular Session, 1999.

99-12 (b) Notwithstanding Subsection (a) of this section, the
99-13 following provisions prevail over a conflicting or inconsistent
99-14 provision of this part:

- 99-15 (1) Sections 36.1071-36.108, Water Code;
- 99-16 (2) Sections 36.159-36.161, Water Code; and
- 99-17 (3) Subchapter I, Chapter 36, Water Code.

99-18 (c) The district may not enter property to inspect an
99-19 exempt
99-20 well without the property owner's permission.

99-21 (d) The Hays County Commissioners Court by resolution may
99-22 require an election to affirm or reverse a decision of the board
99-23 of
99-24 directors of the district not later than six months after the
99-25 date
99-26 of the decision.

99-27 (e) The district may not adopt standards for the
99-28 construction of a residential well that are more stringent than
99-29 state standards for a residential well.

99-30 SECTION 3.0305. EXEMPT WELLS. (a) The following wells
99-31 are
99-32 exempt from the requirements of Chapter 36, Water Code, and may
99-33 not
99-34 be regulated, permitted, or metered by the district:

- 100-1 (1) a well used for domestic use by a single private
100-2 residential household and producing less than 25,000 gallons per

100-3 day; and
100-4 (2) a well used for conventional farming and
ranching
100-5 activities, including such intensive operations as aquaculture,
100-6 livestock feedlots, or poultry operations.
100-7 (b) The district may not require a permit to construct a
100-8 well described by Subsection (a)(2) of this section.
100-9 (c) A well used for dewatering and monitoring in the
100-10 production of coal or lignite is exempt from permit
requirements,
100-11 regulations, and fees imposed by the district.
100-12 SECTION 3.0306. FISCAL RESPONSIBILITIES. (a) The
district
100-13 annually shall prepare a budget showing proposed expenditures
and
100-14 disbursements and estimated receipts and collections for the
next
100-15 fiscal year and shall hold a public hearing on the proposed
budget.
100-16 The district must publish notice of the hearing at least once in
a
100-17 newspaper of general circulation in the county not later than
the
100-18 10th day before the date of the hearing. A taxpayer of the
100-19 district is entitled to appear at the hearing to be heard
regarding
100-20 any item in the proposed budget.
100-21 (b) At the written request of the Hays County
Commissioners
100-22 Court, the county auditor shall audit the performance of the
100-23 district. The court may request a general audit of the
performance
100-24 of the district or may request an audit of only one or more
100-25 district matters.
100-26 SECTION 3.0307. BOARD OF DIRECTORS. (a) The district is
101-1 governed by a board of five directors.
101-2 (b) Temporary directors serve until initial directors are
101-3 elected under Section 3.0309 of this part.
101-4 (c) Initial directors serve until permanent directors are
101-5 elected under Section 3.0310 of this part.
101-6 (d) Permanent directors serve staggered two-year terms.
101-7 (e) Each director must qualify to serve as director in the
101-8 manner provided by Section 36.055, Water Code.
101-9 (f) A director serves until the director's successor has
101-10 qualified.
101-11 (g) If there is a vacancy on the board, the Hays County
101-12 Commissioners Court shall appoint a director to serve the
remainder
101-13 of the term.
101-14 (h) A director may not receive a salary or other
101-15 compensation for service as a director but may be reimbursed for
101-16 actual expenses of attending meetings at the rate in effect for
101-17 employees of Hays County.

101-18 SECTION 3.0308. METHOD OF ELECTING DIRECTORS: SINGLE-
MEMBER
101-19 DISTRICTS. (a) The temporary directors shall draw five
numbered,
101-20 single-member districts for electing directors.
101-21 (b) For the conduct of an election under Section 3.0309
or
101-22 Section 3.0310 of this part, the board shall provide for one
101-23 director to be elected from each of the single-member districts.
A
101-24 director elected from a single-member district represents the
101-25 residents of that single-member district.
101-26 (c) To be qualified to be a candidate for or to serve as
102-1 director, a person must be a registered voter in the single-
member
102-2 district that the person represents or seeks to represent.
102-3 (d) The initial or permanent directors may revise the
102-4 districts as necessary or appropriate. The board of directors
102-5 shall revise each single-member district after each federal
102-6 decennial census to reflect population changes. At the first
102-7 election after the single-member districts are revised, a new
102-8 director shall be elected from each district. The directors
shall
102-9 draw lots to determine which two directors serve one-year terms
and
102-10 which three directors serve two-year terms.
102-11 SECTION 3.0309. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.
102-12 (a) The temporary board of directors shall call and hold an
102-13 election to confirm establishment of the district and to elect
102-14 initial directors.
102-15 (b) At the confirmation and initial directors election,
the
102-16 temporary board of directors shall have placed on the ballot the
102-17 name of any candidate filing for an initial director's position
and
102-18 blank spaces to write in the names of other persons. A
temporary
102-19 director who is qualified to be a candidate under Section 3.0308
of
102-20 this part may file for an initial director's position.
102-21 (c) Section 41.001(a), Election Code, does not apply to a
102-22 confirmation and initial directors election held as provided by
102-23 this section.
102-24 (d) Except as provided by this section, a confirmation
and
102-25 initial directors election must be conducted as provided by
102-26 Sections 36.017(b)-(h), Water Code, and the Election Code.
103-1 SECTION 3.0310. ELECTION OF DIRECTORS. (a) On the first
103-2 Saturday in May or the first Tuesday after the first Monday in
103-3 November of the first even-numbered year after the year in which
103-4 the district is authorized to be created at a confirmation
103-5 election, an election shall be held in the district for the
103-6 election of three directors to serve two-year terms and two

103-7 directors to serve one-year terms.
103-8 (b) On the first Saturday in May or the first Tuesday
103-9 after
103-10 the first Monday in November, as applicable, of each subsequent
103-11 second year following the election held under Subsection (a) of
103-12 this section, the appropriate number of directors shall be
103-13 elected.
103-14 SECTION 3.0311. OTHER ELECTIONS. An election held by the
103-15 district, other than an election under Section 3.0309 or 3.0310
103-16 of
103-17 this part, must be scheduled to coincide with a general election
103-18 in
103-19 May or November.
103-20 SECTION 3.0312. FUNDING AUTHORITY. (a) Except as
103-21 provided
103-22 by Sections 3.0305(b) and (c) of this part, the district may
103-23 require a permit for the construction of a new well completed
103-24 after
103-25 the effective date of this Act and may charge and collect a
103-26 construction permit fee not to exceed \$300.
104-1 (b) The district may levy and collect a water utility
104-2 service connection fee not to exceed \$300 for each new water
104-3 service connection made after the effective date of this Act.
104-4 This
104-5 subsection does not apply to a water utility that has surface
104-6 water
104-7 as its sole source of water.
104-8 (c) Notwithstanding Section 3.0304(a) of this part or
104-9 Subchapter G, Chapter 36, Water Code, the district may not impose
104-10 a
104-11 tax or assess or collect any fees except as authorized by
104-12 Subsection (a) or (b) of this section.
104-13 SECTION 3.0313. EXPIRATION DATE. If the creation of the
104-14 district is not confirmed at a confirmation election held under
104-15 Section 3.0309 of this part before September 1, 2003, this part
104-16 expires on that date.
104-17 PART 4. LONE WOLF GROUNDWATER CONSERVATION DISTRICT
104-18 SECTION 3.0401. RATIFICATION OF CREATION. The creation of
104-19 the Lone Wolf Groundwater Conservation District in Mitchell
104-20 County
104-21 by Chapter 1331, Acts of the 76th Legislature, Regular Session,
1999, is ratified as required by Section 15(a) of that chapter,
subject to approval at a confirmation election under Section
3.0407
of this part.
SECTION 3.0402. DEFINITION. In this part, "district"
means
the Lone Wolf Groundwater Conservation District.
SECTION 3.0403. GENERAL POWERS. The district has all of
the
rights, powers, privileges, authority, functions, and duties
provided by the general law of the state, including Chapter 36,
Water Code, applicable to groundwater conservation districts
created under Section 59, Article XVI, Texas Constitution. This

104-22 part prevails over any provision of general law, including
Chapter
104-23 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
104-24 Regular Session, 1999, that is in conflict or inconsistent with
104-25 this part.

104-26 SECTION 3.0404. BOARD OF DIRECTORS. (a) The district is
105-1 governed by a board of five directors.

105-2 (b) Temporary directors serve until initial directors are
105-3 elected under Section 3.0407 of this part.

105-4 (c) Initial directors serve until permanent directors are
105-5 elected under Section 3.0408 of this part.

105-6 (d) Permanent directors serve staggered four-year terms.

105-7 (e) Each director must qualify to serve as director in the
105-8 manner provided by Section 36.055, Water Code.

105-9 (f) A director serves until the director's successor has
105-10 qualified.

105-11 SECTION 3.0405. COMPENSATION OF DIRECTORS. A director is
105-12 not entitled to fees of office but is entitled to reimbursement
of

105-13 actual expenses reasonably and necessarily incurred while
engaging

105-14 in activities on behalf of the district.

105-15 SECTION 3.0406. METHOD OF ELECTING DIRECTORS:

COMMISSIONERS

105-16 PRECINCTS. (a) The directors of the district shall be elected
105-17 according to the commissioners precinct method as provided by
this

105-18 section.

105-19 (b) One director shall be elected by the voters of the
105-20 entire district, and one director shall be elected from each
county

105-21 commissioners precinct by the voters of that precinct.

105-22 (c) To be eligible to be a candidate for or to serve as
105-23 director at large, a person must be a registered voter in the
105-24 district. To be eligible to be a candidate for or to serve as
105-25 director from a county commissioners precinct, a person must be
a

105-26 registered voter of that precinct.

106-1 (d) A person shall indicate on the application for a place
106-2 on the ballot:

106-3 (1) the precinct that the person seeks to represent;

106-4 or

106-5 (2) that the person seeks to represent the district
at

106-6 large.

106-7 (e) When the boundaries of the commissioners precincts are
106-8 changed, each director in office on the effective date of the
106-9 change or elected to a term of office beginning on or after the
106-10 effective date of the change serves in the precinct to which the
106-11 director was elected for the entire term to which the director
was

106-12 elected, even though the change in boundaries places the
person's

106-13 residence outside the precinct for which the person was elected.

106-14 SECTION 3.0407. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.
106-15 (a) The temporary board of directors shall call and hold an
106-16 election to confirm establishment of the district and to elect
106-17 initial directors.
106-18 (b) At the confirmation and initial directors election,
the
106-19 temporary board of directors shall have placed on the ballot the
106-20 name of any candidate filing for an initial director position
and
106-21 blank spaces to write in the names of other persons. A
temporary
106-22 director who is eligible to be a candidate under Section 3.0406
of
106-23 this part may file for an initial director position.
106-24 (c) Section 41.001(a), Election Code, does not apply to a
106-25 confirmation and initial directors election held as provided by
106-26 this section.
107-1 (d) Except as provided by this section, a confirmation and
107-2 initial directors election must be conducted as provided by
107-3 Sections 36.017(b)-(h), Water Code, and the Election Code.
107-4 SECTION 3.0408. ELECTION OF DIRECTORS. (a) On the first
107-5 Saturday in May of the first even-numbered year after the year in
107-6 which the district is authorized to be created at a confirmation
107-7 election, an election shall be held in the district for the
107-8 election of three directors to serve four-year terms and two
107-9 directors to serve two-year terms.
107-10 (b) On the first Saturday in May of each subsequent
second
107-11 year following the election, the appropriate number of directors
107-12 shall be elected.
107-13 SECTION 3.0409. LIMITATION ON TAXATION. The district may
107-14 levy property taxes at a rate not to exceed 20 cents on each
\$100
107-15 of assessed valuation to pay any part of the bonds or notes
issued
107-16 by the district if the authority to impose property taxes under
107-17 this part is approved by a majority of the voters voting at a
107-18 confirmation election under Section 3.0407 of this part or at a
107-19 separate election called for that purpose by the board of
107-20 directors.
107-21 SECTION 3.0410. EXPIRATION. If the creation of the
district
107-22 is not confirmed at a confirmation election held under Section
107-23 3.0407 of this part before September 1, 2003, the district is
107-24 dissolved and this part expires on that date.
107-25 PART 5. LOST PINES GROUNDWATER CONSERVATION DISTRICT
107-26 SECTION 3.0501. RATIFICATION OF CREATION. The creation
of
108-1 the Lost Pines Groundwater Conservation District in Bastrop and
Lee
108-2 counties by Chapter 1331, Acts of the 76th Legislature, Regular
108-3 Session, 1999, is ratified as required by Section 15(a) of that
108-4 chapter, subject to approval at a confirmation election under

108-5 Section 3.0507 of this part.
108-6 SECTION 3.0502. DEFINITIONS. In this part:
108-7 (1) "District" means the Lost Pines Groundwater
108-8 Conservation District.
108-9 (2) "Public utility" means any person, corporation,
108-10 public utility, water supply or sewer service corporation,
108-11 municipality, political subdivision, or agency operating,
108-12 maintaining, or controlling facilities in the state for
providing
108-13 potable water service for compensation.
108-14 SECTION 3.0503. BOUNDARIES. The boundaries of the
district
108-15 are coextensive with the boundaries of Bastrop and Lee counties,
108-16 Texas.
108-17 SECTION 3.0504. POWERS. (a) The district has all of the
108-18 rights, powers, privileges, authority, functions, and duties
108-19 provided by the general law of the state, including Chapter 36,
108-20 Water Code, applicable to groundwater conservation districts
108-21 created under Section 59, Article XVI, Texas Constitution. This
108-22 part prevails over any provision of general law, including
Chapter
108-23 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
108-24 Regular Session, 1999, that is in conflict or inconsistent with
108-25 this part.
108-26 (b) The district may not impose a tax. The district may
109-1 assess regulatory pumping fees for water produced in or exported
109-2 from the district. The regulatory pumping fees the district
109-3 assesses for water for crop or livestock production or other
109-4 agricultural uses may not exceed 20 percent of the rate applied
to
109-5 water for municipal uses. Regulatory pumping fees based on the
109-6 amount of water withdrawn from a well may not exceed:
109-7 (1) \$1 per acre-foot for water used for the purpose
of
109-8 irrigating agricultural crops; or
109-9 (2) 17 cents per thousand gallons for water used for
109-10 any other purpose.
109-11 (c) The district may adopt a rule exempting a well that
is
109-12 not capable of producing more than 50,000 gallons of groundwater
a
109-13 day from a permit requirement, a fee, or a restriction on
109-14 production.
109-15 SECTION 3.0505. GROUNDWATER WELLS UNDER JURISDICTION OF
109-16 RAILROAD COMMISSION. (a) Groundwater wells drilled or operated
109-17 within the district under permits issued by the Railroad
Commission
109-18 of Texas are under the exclusive jurisdiction of the railroad
109-19 commission and are exempt from regulation by the district.
109-20 (b) Groundwater produced in an amount authorized by a
109-21 railroad commission permit may be used within or exported from
the
109-22 district without obtaining a permit from the district.
109-23 (c) To the extent groundwater production exceeds railroad

109-24 commission authorization, the holder of the railroad commission
109-25 permit must apply to the district for appropriate permits for
the
109-26 excess production and is subject to the applicable regulatory
fees.

110-1 (d) Groundwater produced from wells under the jurisdiction
110-2 of the railroad commission is generally exempt from water
district
110-3 fees. However, the district may impose either a pumping fee or
an
110-4 export fee on groundwater produced from an otherwise exempt mine
110-5 well that is used for municipal purposes or by a public utility.
110-6 Any fee imposed by the district under this subsection may not
110-7 exceed the fee imposed on other groundwater producers in the
110-8 district.

110-9 SECTION 3.0506. BOARD OF DIRECTORS. (a) The district is
110-10 governed by a board of 10 directors.

110-11 (b) Five directors shall be appointed from Bastrop County
by
110-12 the county judge of Bastrop County and five directors shall be
110-13 appointed from Lee County by the county judge of Lee County.

110-14 (c) Temporary directors serve until their successors are
110-15 appointed and have qualified.

110-16 (d) The temporary directors shall draw lots to determine:
110-17 (1) which three directors from each county will

serve
110-18 four-year terms that expire December 31, 2005; and

110-19 (2) which two directors from each county will serve
110-20 two-year terms that expire December 31, 2003.

110-21 (e) In each subsequent second year following the initial
110-22 appointment of directors, the appropriate number of directors
shall
110-23 be appointed.

110-24 (f) Except as provided by Subsection (d) of this section,
110-25 directors serve staggered four-year terms.

110-26 (g) Directors may serve consecutive terms.

111-1 (h) Each director must qualify to serve as director in the
111-2 manner provided by Section 36.055, Water Code.

111-3 (i) A director serves until the director's successor has
111-4 qualified.

111-5 (j) If a vacancy occurs on the board of directors, the
board
111-6 may appoint a director to serve the remainder of the term.

111-7 (k) A director may receive fees of office as provided by
111-8 Section 36.060, Water Code, and is entitled to reimbursement for
111-9 reasonable actual expenses incurred in performing duties as a
111-10 director.

111-11 SECTION 3.0507. INITIAL MEETING AND CONFIRMATION
ELECTION.

111-12 (a) As soon as practicable after September 1, 2001, the
temporary

111-13 directors shall meet to set the date for and call the
confirmation

111-14 election. The directors shall hold the meeting in conjunction
with
111-15 the regularly scheduled meeting of the directors.
111-16 (b) The election shall be held on the authorized election
111-17 date in November if the United States Department of Justice has
111-18 precleared this part by that time. If this part has not been
111-19 precleared by the November election date, the confirmation
election
111-20 shall be held at the next authorized election date. The
district
111-21 shall contract with the county clerks of Bastrop and Lee
counties
111-22 to conduct the election.
111-23 (c) Except as provided by this section, the confirmation
111-24 election must be conducted as provided by Sections 36.017 and
111-25 36.018, Water Code, and the Election Code.
111-26 (d) If a majority of the votes cast at an election held
112-1 under this section is against the confirmation of the district,
the
112-2 temporary directors may not call another election under this
112-3 section before the first anniversary of that election.
112-4 SECTION 3.0508. REGIONAL COOPERATION. The district shall:
112-5 (1) adopt a management plan detailing proposed
efforts
112-6 of the district to cooperate with other groundwater conservation
112-7 districts;
112-8 (2) participate as needed in coordination meetings
112-9 with adjacent groundwater conservation districts that share one
or
112-10 more aquifers with the district;
112-11 (3) coordinate the collection of data with adjacent
112-12 groundwater conservation districts in such a way as to achieve
112-13 relative uniformity of data type and quality;
112-14 (4) provide groundwater level information to
adjacent
112-15 groundwater conservation districts;
112-16 (5) investigate any groundwater pollution to
identify
112-17 the pollution's source;
112-18 (6) notify adjacent groundwater conservation
districts
112-19 and all appropriate agencies of any groundwater pollution
detected
112-20 and the source of pollution identified;
112-21 (7) provide to adjacent groundwater conservation
112-22 districts annually an inventory of water wells in the district
and
112-23 an estimate of groundwater production within the district; and
112-24 (8) include adjacent groundwater conservation
112-25 districts on mailing lists for district newsletters and
information
112-26 regarding seminars, public education events, news articles, and
113-1 field days.
113-2 SECTION 3.0509. EXPIRATION. If the creation of this

113-3 district is not confirmed at a confirmation election held under
113-4 Section 3.0507 of this part before September 1, 2005, this part
113-5 expires on that date.

113-6 SECTION 3.0510. CONFLICTS. If another bill relating to
the

113-7 Lost Pines Groundwater Conservation District is enacted by the
77th

113-8 Legislature, Regular Session, 2001, and becomes law, then, to the
113-9 extent of any conflict between that Act and this part, the
113-10 provisions of that Act shall prevail.

113-11 PART 6. MCMULLEN GROUNDWATER CONSERVATION DISTRICT

113-12 SECTION 3.0601. RATIFICATION OF CREATION. The creation
of

113-13 the McMullen Groundwater Conservation District in McMullen
County

113-14 by Chapter 1331, Acts of the 76th Legislature, Regular Session,
113-15 1999, is ratified as required by Section 15(a) of that chapter,
113-16 subject to approval at a confirmation election under Section

3.0607

113-17 of this part.

113-18 SECTION 3.0602. DEFINITION. In this part, "district"
means

113-19 the McMullen Groundwater Conservation District.

113-20 SECTION 3.0603. BOUNDARIES. The boundaries of the
district

113-21 are coextensive with the boundaries of McMullen County.

113-22 SECTION 3.0604. GENERAL POWERS. (a) The district has
all

113-23 of the rights, powers, privileges, authority, functions, and
duties

113-24 provided by the general law of the state, including Chapter 36,
113-25 Water Code, applicable to groundwater conservation districts

113-26 created under Section 59, Article XVI, Texas Constitution. This
114-1 part prevails over any provision of general law, including

Chapter

114-2 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
114-3 Regular Session, 1999, that is in conflict or inconsistent with

114-4 this part.

114-5 (b) The rights, powers, privileges, authority, functions,
114-6 and duties of the district are subject to the continuing right of
114-7 supervision of the state to be exercised by and through the Texas
114-8 Natural Resource Conservation Commission.

114-9 SECTION 3.0605. BOARD OF DIRECTORS. (a) The district is
governed by a board of five directors.

114-10 (b) Temporary directors serve until initial directors are
114-11 elected under Section 3.0607 of this part.

114-12 (c) Initial directors serve until permanent directors are
114-13 elected under Section 3.0608 of this part.

114-14 (d) Permanent directors serve staggered four-year terms.

114-15 (e) Each director must qualify to serve as director in
114-16 the

114-17 manner provided by Section 36.055, Water Code.

114-18 (f) A director serves until the director's successor has
114-19 qualified.

114-20 (g) If there is a vacancy on the board, the remaining
114-21 directors shall appoint a director to serve the remainder of the
114-22 term.

114-23 SECTION 3.0606. METHOD OF ELECTING DIRECTORS:
COMMISSIONERS

114-24 PRECINCTS. (a) The directors of the district shall be elected
114-25 according to the commissioners precinct method as provided by
this
114-26 section.

115-1 (b) One director shall be elected by the voters of the
115-2 entire district and one director shall be elected from each
county
115-3 commissioners precinct by the voters of that precinct.

115-4 (c) To be qualified as a candidate for or to serve as
115-5 director at large, a person must be a registered voter in the
115-6 district. To be a candidate for or to serve as director from a
115-7 county commissioners precinct, a person must be a registered
voter
115-8 of that precinct.

115-9 (d) A person shall indicate on the application for a place
115-10 on the ballot:

115-11 (1) the precinct that the person seeks to
represent;

115-12 or

115-13 (2) that the person seeks to represent the district
at
115-14 large.

115-15 (e) When the boundaries of the commissioners precincts
are
115-16 changed, each director in office on the effective date of the
115-17 change or elected to a term of office beginning on or after the
115-18 effective date of the change serves in the precinct to which the
115-19 director was elected for the entire term to which the director
was
115-20 elected, even though the change in boundaries places the
person's
115-21 residence outside the precinct for which the person was elected.

115-22 SECTION 3.0607. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.

115-23 (a) The temporary board of directors shall call and hold an
115-24 election to confirm establishment of the district and to elect
115-25 initial directors.

115-26 (b) At the confirmation and initial directors election,
the

116-1 temporary board of directors shall have placed on the ballot the
116-2 names of the persons serving as temporary directors who intend to
116-3 run for an initial director position and are qualified to be a
116-4 candidate under Section 3.0606 of this part together with the
name
116-5 of any candidate filing for an initial director position and
blank
116-6 spaces to write in the names of other persons.

116-7 (c) If the district is created at the election, the
116-8 temporary board of directors, at the time the vote is canvassed,

116-9 shall:
116-10 (1) declare the qualified person who receives the
116-11 most
116-12 votes for each position to be elected as the initial director
116-13 for
116-14 that position; and
116-15 (2) include the results of the initial directors
116-16 election in the district's election report to the Texas Natural
116-17 Resource Conservation Commission.
116-18 (d) Section 41.001(a), Election Code, does not apply to a
116-19 confirmation and initial directors election held as provided by
116-20 this section.
116-21 (e) Except as provided by this section, a confirmation
116-22 and
116-23 initial directors election must be conducted as provided by
116-24 Sections 36.017(b)-(h), Water Code, and the Election Code.
116-25 (f) If a majority of the votes cast at an election held
116-26 under this section is against the confirmation of the district,
116-27 the
116-28 temporary directors may not call another election under this
116-29 section before the first anniversary of that election.
116-30 SECTION 3.0608. ELECTION OF PERMANENT DIRECTORS. (a) On
117-1 the first Saturday in October of the second year after the year
117-2 in
117-3 which the district is authorized to be created at a confirmation
117-4 election, an election shall be held in the district for the
117-5 election of directors from county commissioners precincts one and
117-6 three, each of whom serves a two-year term, and directors from
117-7 county commissioners precincts two and four and the director at
117-8 large, each of whom serves a four-year term.
117-9 (b) On the first Saturday in October of each subsequent
117-10 second year following the election, the appropriate number of
117-11 directors shall be elected to the board, each of whom serves a
117-12 four-year term.
117-13 SECTION 3.0609. LIMITATION ON TAXATION. The district may
117-14 not impose an ad valorem tax at a rate that exceeds five cents
117-15 on
117-16 the \$100 valuation of taxable property in the district.
117-17 SECTION 3.0610. EXPIRATION. If the creation of the
117-18 district
117-19 is not confirmed at a confirmation election held under Section
117-20 3.0607 of this part before September 1, 2003, this part expires
117-21 on
117-22 that date.
117-23 PART 7. KIMBLE COUNTY GROUNDWATER CONSERVATION DISTRICT
117-24 SECTION 3.0701. CREATION. (a) A groundwater
117-25 conservation
117-26 district, to be known as the Kimble County Groundwater
117-27 Conservation
117-28 District, is created in Kimble County, subject to approval at a
117-29 confirmation election under this part. The district is a
117-30 governmental agency and a body politic and corporate.
117-31 (b) The district is created under and is essential to
117-32 accomplish the purposes of Section 59, Article XVI, Texas

118-1 Constitution.

118-2 SECTION 3.0702. DEFINITION. In this part, "district"
118-3 means
118-4 the Kimble County Groundwater Conservation District.

118-5 SECTION 3.0703. BOUNDARIES. The boundaries of the
118-6 district
118-7 are coextensive with the boundaries of Kimble County, Texas,
118-8 excluding that part of Kimble County that lies within the
118-9 boundaries of the Hickory Underground Water District.

118-10 SECTION 3.0704. FINDING OF BENEFIT. All of the land and
118-11 other property included within the boundaries of the district
118-12 will
118-13 be benefited by the works and projects that are to be
118-14 accomplished
118-15 by the district under powers conferred by Section 59, Article
118-16 XVI,
118-17 Texas Constitution. The district is created to serve a public
118-18 use
118-19 and benefit.

118-20 SECTION 3.0705. GENERAL POWERS. (a) The district has
118-21 all
118-22 of the rights, powers, privileges, authority, functions, and
118-23 duties
118-24 provided by the general law of this state, including Chapter 36,
118-25 Water Code, applicable to groundwater conservation districts
118-26 created under Section 59, Article XVI, Texas Constitution. This
118-27 part prevails over any provision of general law that is in
118-28 conflict
118-29 or is inconsistent with this part.

118-30 (b) Notwithstanding Subsection (a) of this section, the
118-31 following provisions prevail over a conflicting or inconsistent
118-32 provision of this part:

118-33 (1) Sections 36.1071-36.108, Water Code;
118-34 (2) Sections 36.159-36.161, Water Code; and
118-35 (3) Subchapter I, Chapter 36, Water Code.

119-1 (c) Chapter 49, Water Code, does not apply to the
119-2 district.

119-3 SECTION 3.0706. BOARD OF DIRECTORS. (a) The district is
119-4 governed by a board of five directors.

119-5 (b) Temporary directors serve until initial directors are
119-6 elected under this part.

119-7 (c) Initial directors serve until permanent directors are
119-8 elected under this part.

119-9 (d) Permanent directors serve staggered four-year terms.

119-10 (e) Each director must qualify to serve as director in the
119-11 manner provided by Section 36.055, Water Code.

119-12 (f) A director serves until the director's successor has
119-13 qualified.

119-14 SECTION 3.0707. COMPENSATION OF DIRECTORS. A director is
119-15 not entitled to fees of office but is entitled to reimbursement
119-16 of
119-17 actual expenses reasonably and necessarily incurred while
119-18 engaging
119-19 in activities on behalf of the district.

119-17 SECTION 3.0708. TEMPORARY DIRECTORS. (a) The temporary
119-18 board of directors consists of five members appointed by the
119-19 Commissioners Court of Kimble County.

119-20 (b) If a temporary director fails to qualify for office,
the
119-21 Commissioners Court of Kimble County shall appoint a person to
fill
119-22 the vacancy.

119-23 SECTION 3.0709. METHOD OF ELECTING DIRECTORS: SINGLE-
MEMBER

119-24 DISTRICTS. (a) The temporary directors shall draw five
numbered,
119-25 single-member districts for electing directors.

119-26 (b) For the conduct of an election under the following
two

120-1 sections of this part, the board shall provide for one director
to

120-2 be elected from each of the single-member districts. A director
120-3 elected from a single-member district represents the residents of
120-4 that single-member district.

120-5 (c) To be qualified to be a candidate for or to serve as
120-6 director, a person must be a registered voter in the single-
member

120-7 district that the person represents or seeks to represent.

120-8 (d) The initial or permanent directors may revise the
120-9 districts as necessary or appropriate. The board of directors
120-10 shall revise each single-member district after each federal
120-11 decennial census to reflect population changes. At the first
120-12 election after the single-member districts are revised, a new
120-13 director shall be elected from each district. The directors
shall

120-14 draw lots to determine which two directors serve two-year terms
and

120-15 which three directors serve four-year terms.

120-16 SECTION 3.0710. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.

120-17 (a) The temporary board of directors shall call and hold an
120-18 election to confirm establishment of the district and to elect
120-19 initial directors.

120-20 (b) At the confirmation and initial directors election,
the

120-21 temporary board of directors shall have placed on the ballot the
120-22 name of any candidate filing for an initial director's position
and

120-23 blank spaces to write in the names of other persons. A
temporary

120-24 director who is qualified to be a candidate under the preceding
120-25 section of this part may file for an initial director's
position.

120-26 (c) Section 41.001(a), Election Code, does not apply to a
121-1 confirmation and initial directors election held as provided by
121-2 this section.

121-3 (d) Except as provided by this section, a confirmation and
121-4 initial directors election must be conducted as provided by

121-5 Sections 36.017(b)-(h), Water Code, and the Election Code.
121-6 SECTION 3.0711. ELECTION OF DIRECTORS. (a) On the first
121-7 Saturday in May of the first even-numbered year after the year in
121-8 which the district is authorized to be created at a confirmation
121-9 election, an election shall be held in the district for the
121-10 election of three directors to serve four-year terms and two
121-11 directors to serve two-year terms.
121-12 (b) On the first Saturday in May of each subsequent
121-13 second
121-14 year following the election, the appropriate number of directors
121-15 shall be elected.
121-16 SECTION 3.0712. TAX RATE. The district may not levy a
121-17 tax
121-18 to pay any part of bonds or notes issued by the district that
121-19 exceeds 20 cents on each \$100 of assessed valuation.
121-20 SECTION 3.0713. EFFECTIVE DATE; EXPIRATION DATE. (a)
121-21 This
121-22 part takes effect September 1, 2001.
121-23 (b) If the creation of the district is not confirmed at a
121-24 confirmation election held under this part before September 1,
121-25 2003, this part expires on that date.
121-26 PART 8. RED SANDS GROUNDWATER CONSERVATION DISTRICT
121-27 SECTION 3.0801. RATIFICATION OF CREATION. The creation
121-28 of
121-29 the Red Sands Groundwater Conservation District in Hidalgo
121-30 County
121-31 by Chapter 1331, Acts of the 76th Legislature, Regular Session,
122-1 1999, is ratified as required by Section 15(a) of that chapter,
122-2 subject to approval at a confirmation election under Section
122-3 3.0808
122-4 of this part.
122-5 SECTION 3.0802. DEFINITION. In this part, "district"
122-6 means
122-7 the Red Sands Groundwater Conservation District.
122-8 SECTION 3.0803. BOUNDARIES. The district includes all of
122-9 the territory contained in the following described area:
122-10 A 19,232 acre tract more or less out of San Salvador Del Tule
122-11 Grant
122-12 as recorded in Volume 10, Page 58 of the Hidalgo County, Texas
122-13 map
122-14 records and out of the Santa Anita Grant as recorded in Volume
122-15 7,
122-16 Page 38 of the Hidalgo County, Texas map records.
122-17 Commencing at the Southeast Corner of this here in described
122-18 boundary tract, said point being the intersection of the
122-19 centerline
122-20 of U.S. Highway 281 and the centerline of Farm to Market Road
122-21 number 490 (F.M. 490) (West Hargill Road) as shown in the map of
122-22 San Salvador Del Tule Grant as recorded in Volume 10, Page 58 of
122-23 the Hidalgo County map records. Said point is also the point of
122-24 beginning.
122-25 Thence, Westerly along the center line of the F.M. 490, an
122-26 approximate distance of 18,400 feet to a point on the West line
122-27 of

122-21 San Salvador Del Tule Grant, said point also being the intersection
122-22 of the centerline of F.M. 490 and the West line of the San Salvador
122-23 Del Tule Grant,
122-24 Thence, Northerly along the West line of the San Salvador Del Tule
122-25 Grant and the East line of the Santa Anita Grant at an approximate
122-26 distance of 21,300 feet to a point, said point being an inside
123-1 corner of this herein described tract, and also being the Southeast
123-2 corner of Redland Vineyards Subdivision as recorded in Volume 4,
123-3 Page 51 of the Hidalgo County map records,
123-4 Thence, Westerly along the South line of the Redland Vineyards
123-5 Subdivision, an approximate distance of 4,238 feet to a point, said
123-6 point being an outside corner of this herein described tract, said
123-7 point also being the Southwest corner of the Redland Vineyard
123-8 Subdivision,
123-9 Thence, Northerly with the West line of Redland Vineyards
123-10 Subdivision, at approximately 4,590.50 feet past a point, said
123-11 point being the Northwest corner of Redland Vineyard Subdivision,
123-12 and the Southwest corner of Delbridge Subdivision as recorded in
123-13 Volume 5, Page 11, Hidalgo County map records, and continuing
123-14 Northerly along the West line of Delbridge Subdivision for an
123-15 approximate total distance of 6,646 feet to a point, said point
123-16 being an inside corner of this herein described tract, and also
123-17 being the Northwest corner of Delbridge Subdivision,
123-18 Thence, Westerly along the South line of a 196.37 acres tract,
123-19 known as the A.B. De Kock Tract, an approximate distance of
123-20 3,500 feet past the Southeast corner of share 4, out of the 8,374.70
123-21 acre tract partition out of the Santa Anita Grant as recorded in
123-22 Volume 7, Page 38, in the Hidalgo County map records and continuing
123-23 Westerly for an approximate total distance of 6,500 feet to a
123-24 point, said point being an outside corner of this herein described
123-25 tract and also being the Southwest corner of share 4,
123-26 Thence, Northerly along the West line of share 4, an approximate
124-1 total distance of 19,143 feet to a point, said point being the
124-2 Northwest corner of this herein described tracts and, the
124-3 intersection of the West line of share 4 and the centerline of Farm
124-4 to Market Road number 1017, (F.M. 1017)
124-5 Thence, in a Southeasterly direction, with the Right-of-Way
124-6 centerline of Farm to Market Road number 1017 (F.M. 1017) an
124-7 approximate total distance of 27,800 feet to a point, said point
124-8 being the Northeast corner of this herein described tract, and also

124-9 being the intersection of the centerline of F.M. 1017 Right-of-
Way
124-10 and the center line of the U.S. Highway 281 Right-Of-Way,
124-11 Thence, in a Southerly direction, with the centerline of U.S.
124-12 Highway 281 Right-Of-Way, an approximate distance of 7,500 feet
124-13 past Floral Road, and at approximate 21,700 feet past Red Gate
Road
124-14 and at approximate 29,700 feet past Laguna Seca Road and for an
124-15 approximate total distance of 39,300 feet to the point of
beginning
124-16 of this here in described tract, said tract contains 19,232
Acres,
124-17 More or Less.
124-18 SECTION 3.0804. FINDINGS RELATIVE TO BOUNDARIES. The
124-19 legislature finds that the boundaries and field notes of the
124-20 district form a closure. A mistake in the field notes or in the
124-21 copying of the field notes in the legislative process does not
124-22 affect the organization, existence, or validity of the district,
124-23 the right of the district to levy and collect taxes, or the
124-24 legality or operation of the district or its governing body.
124-25 SECTION 3.0805. GENERAL POWERS. (a) Except as provided
by
124-26 this part, the district has all of the rights, powers,
privileges,
125-1 authority, functions, and duties provided by the general law of
the
125-2 state, including Chapter 36, Water Code, applicable to
groundwater
125-3 conservation districts created under Section 59, Article XVI,
Texas
125-4 Constitution. This part prevails over any provision of general
125-5 law, including Chapter 36, Water Code, or Chapter 1331, Acts of
the
125-6 76th Legislature, Regular Session, 1999, that is in conflict or
125-7 inconsistent with this part.
125-8 (b) The rights, powers, privileges, authority, functions,
125-9 and duties of the district are subject to the continuing right of
125-10 supervision of the state, to be exercised by and through the
Texas
125-11 Natural Resource Conservation Commission.
125-12 SECTION 3.0806. BOARD OF DIRECTORS. (a) The district is
125-13 governed by a board of five directors, each elected at large to
one
125-14 of five numbered places.
125-15 (b) To be eligible to serve as a director, an individual
125-16 must reside in the district.
125-17 (c) Each director must qualify to serve as director in
the
125-18 manner provided by Section 36.055, Water Code.
125-19 (d) Permanent directors serve staggered three-year terms.
125-20 (e) A director serves until the director's successor has
125-21 qualified.
125-22 (f) A vacancy in the office of director shall be filled
by

125-23 appointment of the board of directors until the next election of
125-24 directors, at which election a person shall be elected to fill
125-25 the

125-25 position. If the position is not scheduled to be filled at the
125-26 election, the person elected to fill the position serves only
126-1 the

126-1 remainder of the unexpired term.

126-2 (g) An appointed director who is qualified to serve as a
126-3 director under Subsection (b) of this section is eligible to run
126-4 for election to the board of directors.

126-5 SECTION 3.0807. TEMPORARY DIRECTORS. (a) The temporary
126-6 board of directors is composed of:

126-7 (1) Lucas Hinojosa;

126-8 (2) Becky Guerra;

126-9 (3) Arcadio Guerra;

126-10 (4) Elizabeth Ann Sweet; and

126-11 (5) John Cozad.

126-12 (b) The temporary directors are not required to meet the
126-13 eligibility requirements of permanent directors.

126-14 (c) Temporary directors serve until permanent directors
126-15 are

126-15 elected at the confirmation election under Section 3.0808 of
126-16 this

126-16 part.

126-17 SECTION 3.0808. CONFIRMATION AND INITIAL DIRECTORS
126-18 ELECTION.

126-18 (a) The temporary board of directors shall call and hold an
126-19 election to confirm establishment of the district and to elect
126-20 initial directors.

126-21 (b) At the confirmation and initial directors election,
126-22 the

126-22 temporary board of directors shall have placed on the ballot the
126-23 names of the candidates for each of the five numbered positions
126-24 and

126-24 blank spaces to write in the names of other persons. Names on
126-25 the

126-25 ballot may include persons serving as temporary directors who
126-26 intend to run for an initial director position together with the

127-1 name of any candidate filing for an initial director position.

127-2 (c) If a majority of the votes cast at the election are in
127-3 favor of the creation of the district, the temporary board of

127-4 directors shall declare the district created. If a majority of
127-5 the

127-5 votes cast at the election are against the creation of the
127-6 district, the temporary board of directors shall declare the

127-6 district defeated. The temporary board of directors shall file a
127-7 copy of the election results with the Texas Natural Resource

127-8 Conservation Commission.
127-9

127-10 (d) If a majority of the votes cast at the election are
127-11 against the creation of the district, the temporary board of

127-12 directors may not call another election under this section
127-13 before

127-13 the first anniversary of the date of the election.

127-14 (e) If the creation of the district is confirmed at the

127-15 election, the temporary board of directors, at the time the vote
is
127-16 canvassed, shall:
127-17 (1) declare the qualified person who receives the
most
127-18 votes for each position to be elected as the initial director
for
127-19 that position; and
127-20 (2) include the results of the initial directors
127-21 election in the district's election report to the Texas Natural
127-22 Resource Conservation Commission.
127-23 (f) The initial directors shall draw lots to determine
their
127-24 terms so that:
127-25 (1) one director serves a one-year term that
expires
127-26 on the anniversary of the date the initial directors were
elected;
128-1 (2) two directors serve two-year terms that expire
on
128-2 the anniversary of the date the initial directors were elected;
and
128-3 (3) two directors serve three-year terms that expire
128-4 on the anniversary of the date the initial directors were
elected.
128-5 (g) Section 41.001(a), Election Code, does not apply to a
128-6 confirmation and initial directors election held as provided by
128-7 this section.
128-8 (h) Except as provided by this section, a confirmation
128-9 election must be conducted as provided by Sections 36.017(b)-(h),
128-10 Water Code, and the Election Code.
128-11 SECTION 3.0809. ELECTION OF PERMANENT DIRECTORS.
Beginning
128-12 in the first year after the year in which the district is
128-13 authorized to be created at a confirmation election, the board
of
128-14 directors shall call an election to be held in the district on
the
128-15 first Saturday of the month in which the initial directors were
128-16 elected under Section 3.0808 of this part and every year after
that
128-17 date to elect the appropriate number of directors to the board.
128-18 SECTION 3.0810. ELIGIBLE DISTRICT VOTERS. Any person
128-19 qualified to vote under the Election Code who resides in the
128-20 district is eligible to vote in district elections.
128-21 SECTION 3.0811. TAXATION AUTHORITY. (a) The board of
128-22 directors shall impose taxes in accordance with Subchapter G,
128-23 Chapter 36, Water Code.
128-24 (b) Notwithstanding Section 36.201, Water Code, the board
of
128-25 directors may annually impose an ad valorem tax at a rate not to
128-26 exceed two cents on each \$100 of assessed valuation unless a
higher

129-1 rate is approved by a majority of the voters of the district
129-2 voting
129-2 at an election called and held for that purpose.
129-3 SECTION 3.0812. TRANSPORTATION OF GROUNDWATER. (a) The
129-4 board of directors may adopt rules under Section 36.122, Water
129-5 Code, requiring a permit to transport district groundwater
129-6 outside
129-6 the district. The board of directors shall authorize the
129-7 transportation of groundwater for use outside the district if the
129-8 board determines that the use is in the public interest. The
129-9 board
129-9 of directors may:
129-10 (1) designate uses of water that are in the public
129-11 interest; and
129-12 (2) establish criteria for permits issued under the
129-13 rules.
129-14 (b) Transportation projects for the use of groundwater
129-15 outside the district that began before September 1, 2001, may
129-16 continue without a permit if the use of groundwater is on land
129-17 contiguous to the district's boundaries and is for domestic or
129-18 livestock purposes.
129-19 SECTION 3.0813. EXPIRATION. If the creation of the
129-20 district
129-20 is not confirmed at a confirmation election held under Section
129-21 3.0808 of this part before September 1, 2003, this part expires
129-22 on
129-22 that date.
129-23 PART 9. REFUGIO GROUNDWATER CONSERVATION DISTRICT
129-24 SECTION 3.0901. RATIFICATION OF CREATION. The creation
129-25 of
129-25 the Refugio Groundwater Conservation District in Refugio County
129-26 by
129-26 Chapter 1331, Acts of the 76th Legislature, Regular Session,
129-27 1999,
130-1 is ratified as required by Section 15(a) of that chapter, subject
130-2 to approval at a confirmation election under Section 3.0907 of
130-3 this
130-3 part.
130-4 SECTION 3.0902. DEFINITION. In this part, "district"
130-5 means
130-5 the Refugio Groundwater Conservation District.
130-6 SECTION 3.0903. BOUNDARIES. The boundaries of the
130-7 district
130-7 are coextensive with the boundaries of Refugio County.
130-8 SECTION 3.0904. GENERAL POWERS. The district has all of
130-9 the
130-9 rights, powers, privileges, authority, functions, and duties
130-10 provided by the general law of this state, including Chapter 36,
130-11 Water Code, applicable to groundwater conservation districts
130-12 created under Section 59, Article XVI, Texas Constitution. This
130-13 part prevails over any provision of general law, including
130-14 Chapter
130-14 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
130-15 Regular Session, 1999, that is in conflict or inconsistent with

130-16 this part.
130-17 SECTION 3.0905. BOARD OF DIRECTORS. (a) The district is
130-18 governed by a board of five directors.
130-19 (b) Temporary directors serve until initial directors are
130-20 elected under Section 3.0907 of this part.
130-21 (c) Initial directors serve until permanent directors are
130-22 elected under Section 3.0908 of this part.
130-23 (d) Permanent directors serve staggered four-year terms.
130-24 (e) Each director must qualify to serve as director in
the
130-25 manner provided by Section 36.055, Water Code.
130-26 (f) A director serves until the director's successor has
131-1 qualified.
131-2 (g) If a director fails to qualify for office or if there
is
131-3 at any time a vacancy on the temporary board of directors, the
131-4 commissioners court shall appoint a person to fill the vacancy.
131-5 SECTION 3.0906. METHOD OF ELECTING DIRECTORS:
COMMISSIONERS
131-6 PRECINCTS. (a) The directors of the district shall be elected
131-7 according to the commissioners precinct method as provided by
this
131-8 section.
131-9 (b) One director shall be elected by the qualified voters
of
131-10 the entire district, and one director shall be elected from each
131-11 county commissioners precinct by the qualified voters of that
131-12 precinct.
131-13 (c) To be qualified to be a candidate for or to serve as
131-14 director at large, a person must be a registered voter in the
131-15 district. To be a candidate for or to serve as director from a
131-16 county commissioners precinct, a person must be a registered
voter
131-17 of that precinct.
131-18 (d) A person shall indicate on the application for a
place
131-19 on the ballot:
131-20 (1) the precinct that the person seeks to
represent;
131-21 or
131-22 (2) that the person seeks to represent the district
at
131-23 large.
131-24 (e) When the boundaries of the commissioners precincts
are
131-25 changed, each director in office on the effective date of the
131-26 change or elected to a term of office beginning on or after the
132-1 effective date of the change serves in the precinct to which the
132-2 director was elected for the entire term to which the director
was
132-3 elected, even though the change in boundaries places the person's
132-4 residence outside the precinct for which the person was elected.
132-5 SECTION 3.0907. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.

132-6 (a) The temporary board of directors shall call and hold an
132-7 election to confirm establishment of the district and to elect
132-8 initial directors.

132-9 (b) At the confirmation and initial directors election,
the
132-10 temporary board of directors shall have placed on the ballot the
132-11 name of any candidate filing for an initial director position
and
132-12 blank spaces to write in the names of other persons. A
temporary
132-13 director who is qualified to be a candidate under Sections
3.0905
132-14 and 3.0906 of this part may file for an initial director
position.

132-15 (c) Section 41.001(a), Election Code, does not apply to a
132-16 confirmation and initial directors election held as provided by
132-17 this section.

132-18 (d) Except as provided by this section, a confirmation
and
132-19 initial directors election must be conducted as provided by
132-20 Sections 36.017(b)-(h), Water Code, and the Election Code.

132-21 SECTION 3.0908. ELECTION OF DIRECTORS. (a) On the first
132-22 Saturday in May of the first even-numbered year after the year
in

132-23 which the district is authorized to be created at a confirmation
132-24 election, an election shall be held in the district for the
132-25 election of three directors to serve four-year terms and two
132-26 directors to serve two-year terms.

133-1 (b) On the first Saturday in May of each subsequent second
133-2 year following the election, the appropriate number of directors
133-3 shall be elected.

133-4 SECTION 3.0909. EXPIRATION. If the creation of the
district

133-5 is not confirmed at a confirmation election held under Section
133-6 3.0907 of this part before September 1, 2003, the district is
133-7 dissolved and this part expires on that date.

133-8 PART 10. SOUTHEAST TRINITY GROUNDWATER CONSERVATION DISTRICT

133-9 SECTION 3.1001. PURPOSE. The purpose of this part is to
133-10 ratify the Southeast Trinity Groundwater Conservation District,

a
133-11 locally controlled groundwater district, to protect, recharge,
and
133-12 prevent the waste of groundwater and to control subsidence of
water
133-13 from the groundwater reservoirs.

133-14 SECTION 3.1002. RATIFICATION OF CREATION. The creation
of
133-15 the Southeast Trinity Groundwater Conservation District by

Chapter
133-16 1331, Acts of the 76th Legislature, Regular Session, 1999, is
133-17 ratified as required by Section 15(a) of that Act, subject to a
133-18 confirmation election under Section 3.1008 of this part.

133-19 SECTION 3.1003. DEFINITIONS. In this part:

133-20 (1) "Board" means the board of directors of the

133-21 district.
133-22 (2) "Commission" means the Texas Natural Resource
133-23 Conservation Commission.
133-24 (3) "District" means the Southeast Trinity
Groundwater
133-25 Conservation District.
133-26 SECTION 3.1004. BOUNDARIES. The boundaries of the
district
134-1 are as follows:
134-2 BEGINNING at the point of intersection of the Bexar County
-
134-3 Comal County - Kendall County line:
134-4 THENCE following the meanders of the Cibolo Creek, the
Bexar
134-5 County - Comal County line in an Easterly direction to the point
of
134-6 intersection with latitude 29 40':
134-7 THENCE along 29 40' in a Southeasterly direction to the
134-8 point of intersection with Farm to Market Road 3009:
134-9 THENCE with the centerline of Farm to Market Road 3009 in a
134-10 Southerly direction to the point of intersection with the
134-11 centerline of Schoenthal Road:
134-12 THENCE with the centerline of Schoenthal Road in a
134-13 Northeasterly direction to the point of intersection with the
134-14 centerline of Farm to Market Road 1863:
134-15 THENCE with the centerline of Farm to Market Road 1863 in
an
134-16 Easterly direction to the point of intersection with the
centerline
134-17 of Mission Valley Road:
134-18 THENCE with the centerline of Mission Valley Road in a
134-19 Northeasterly direction to the point of intersection with the
134-20 centerline of State Highway 46;
134-21 THENCE with the centerline of State Highway 46 in a
134-22 Northwesterly direction to the point of intersection with the
134-23 centerline of Hueco Springs Loop Road:
134-24 THENCE with the centerline of Hueco Springs Loop Road in a
134-25 Northeasterly then Easterly direction to the point of
intersection
134-26 with the centerline of River Road:
135-1 THENCE with the centerline of River Road in a Northeasterly
135-2 direction to the point of intersection with the Guadalupe River
at
135-3 the First Crossing:
135-4 THENCE following the meanders of the Guadalupe River in a
135-5 Northerly direction to the point of intersection of the
centerlines
135-6 of the Guadalupe River and Deep Creek:
135-7 (Note: the next four paragraphs coincide with the Southern
135-8 boundary of Comal County Voters Precinct 18)
135-9 THENCE along the meanders of Deep Creek in a Northeasterly
135-10 direction to the point of intersection of the centerline of Deep
135-11 Creek and the South line of the G. F. Lawrence Survey No. 33,
135-12 Abstract No. 358:

135-13 THENCE with the South line of the G. F. Lawrence Survey
No.
135-14 33, Abstract No. 358 in a Northeasterly, Southeasterly, and
135-15 Northeasterly direction to the point of intersection of the
South
135-16 centerline of Farm to Market Road 306 being at approximately
135-17 Engineers Station 397+98.3:
135-18 THENCE with the centerline of Farm to Market Road 306 in a
135-19 Southeasterly direction to the point of intersection of the
135-20 centerlines of Farm to Market Road 306 and the William Pfeuffer
135-21 private ranch road:
135-22 THENCE with the approximate bearing N 69 E and
approximate
135-23 distance 5,000 feet to an angle point in the Comal County - Hays
135-24 County Line:
135-25 THENCE with the Comal County - Hays County line in a
135-26 Northwesterly direction to the point of intersection of the
Comal
136-1 County - Hays County line with the Comal County - Blanco County
136-2 line:
136-3 THENCE with the Comal County - Blanco County line in a
136-4 Southwesterly direction to the point of intersection of the Comal
136-5 County - Blanco County - Kendall County line, continuing with the
136-6 Comal County - Kendall County line in a Southwesterly direction
to
136-7 point of intersection of the Kendall County - Comal County -
Bexar
136-8 County line being the Point of Beginning.
136-9 SECTION 3.1005. FINDINGS RELATIVE TO BOUNDARIES. The
136-10 legislature finds that the boundaries and field notes of the
136-11 district form a closure. A mistake in the field notes or in
136-12 copying the field notes in the legislative process does not
affect
136-13 the organization, existence, or validity of the district, the
right
136-14 of the district to levy and collect taxes, or the legality or
136-15 operation of the district or its governing body.
136-16 SECTION 3.1006. AUTHORITY OF DISTRICT. (a) Except as
136-17 provided by this section or otherwise by this part, the district
136-18 has the same permitting and general management powers as those
136-19 granted under Chapter 36, Water Code.
136-20 (b) The district has no regulatory jurisdiction over the
136-21 Edwards Aquifer or any surface water supply.
136-22 (c) The board by rule may impose reasonable fees,
including
136-23 fees for groundwater transported out of the district, on each
136-24 groundwater well in the district that is not exempt from
regulation
136-25 by the district, based on the amount of water withdrawn from the
136-26 well. The fees may be assessed annually, based on the size of
137-1 column pipe used in the wells, pump capacity, or actual,
137-2 authorized, or anticipated pumpage, to pay the maintenance and
137-3 operating expenses of the district's regulation of groundwater.
137-4 (d) Section 36.205(c), Water Code, does not apply to the

137-5 district.

137-6 (e) The district may assess an ad valorem property tax not
137-7 to exceed seven cents per \$100 valuation for administrative,
137-8 operation, and maintenance expenses if approved by a majority of
137-9 the qualified voters voting in an election authorizing the tax.

137-10 (f) Any district conservation fee paid by a retail public
137-11 utility to the district shall be:

137-12 (1) collected by the retail public utility directly
as
137-13 a regulatory fee from the customers of the utility and paid to
the
137-14 district; and

137-15 (2) shown as a separate line item on the customer's
137-16 bill.

137-17 (g) Fees may not be assessed for groundwater withdrawn
from
137-18 the Edwards Aquifer.

137-19 (h) The district shall determine which classes of wells
are
137-20 exempt from permitting requirements.

137-21 (i) The district may not require a permit for:

137-22 (1) the drilling of or producing from a well either
137-23 drilled, completed, or equipped so that it is capable of
producing
137-24 less than 10,000 gallons of water per day; or

137-25 (2) the drilling of or alteration of the size of a
137-26 well or to restrict the production of a well if the water
produced
138-1 or to be produced from the well is or will be used to supply the
138-2 domestic needs of five or fewer households in which a person who
is
138-3 a member of each household is either the owner of the well, a
138-4 person related to the owner or to a member of the owner's
household
138-5 within the second degree by consanguinity, or an employee of the
138-6 owner.

138-7 (j) The district may construct according to, implement,
and
138-8 maintain best management practices in the district and may engage
138-9 in and promote acceptance of best management practices through
138-10 education efforts sponsored by the district for the purposes of
138-11 water quality and water availability practices such as brush
138-12 management, recharge enhancement, water and silt detention and
138-13 retention structures, plugging of abandoned wells, and other
138-14 treatment measures for the conservation of groundwater
resources.

138-15 SECTION 3.1007. BOARD OF DIRECTORS. (a) The district is
138-16 governed by a board of five directors.

138-17 (b) Temporary directors have been appointed by Comal
County
138-18 Commissioners Court and shall serve until initial directors are
138-19 elected under Section 3.1008 of this part.

138-20 (c) The temporary directors are:

138-21 (1) Cal Perrine;

138-22 (2) Ernest T. Lee;
138-23 (3) Jill Sondeen;
138-24 (4) Larry Hull; and
138-25 (5) Stovy Bowlin.
138-26 (d) Initial directors shall be elected at a confirmation
139-1 election and serve until permanent directors are elected under
139-2 Section 3.1009 of this part.
139-3 (e) Permanent directors serve staggered four-year terms.
139-4 (f) The directors shall be elected from four precincts,
and
139-5 one director will represent the district at large. No more than
139-6 two precincts may be in a single municipality.
139-7 (g) A member of the board must reside in and be a
registered
139-8 voter in the precinct from which the person is elected or
appointed
139-9 if representing a precinct or must reside and be registered to
vote
139-10 in the district if representing the district at large.
139-11 (h) Directors may serve consecutive terms.
139-12 (i) In an election for board members, a write-in vote may
139-13 not be counted unless the name written in appears on the list of
139-14 write-in candidates. A declaration of write-in candidacy must
be
139-15 filed not later than 5 p.m. of the 45th day before election day.
139-16 (j) Vacancies in the office of director are filled by
139-17 appointment of the board. If the vacant office is not scheduled
139-18 for election within the next two years at the time of the
139-19 appointment, the board shall order an election for the unexpired
139-20 term to be held as part of the next regularly scheduled
directors
139-21 election. The appointed director's term ends on qualification
of
139-22 the director elected at that election.
139-23 (k) The district may not issue bonds before September 1,
139-24 2004.
139-25 SECTION 3.1008. CONFIRMATION ELECTION AND ELECTION OF
139-26 INITIAL DIRECTORS. (a) As soon as practicable after September
1,
140-1 2001, the temporary board of directors may set the date for,
call,
140-2 and hold an election:
140-3 (1) to confirm establishment of the district;
140-4 (2) to elect five initial directors; and
140-5 (3) to authorize the district to impose a tax.
140-6 (b) The election may be held on the first authorized
140-7 election date after the United States Department of Justice has
140-8 precleared this part. The district shall contract with the
county
140-9 clerk of Comal County to conduct the election.
140-10 (c) The elected initial directors shall draw lots to
140-11 determine their terms so that:
140-12 (1) two of the initial directors serve two-year
terms

140-13 that expire on the uniform election date in November of the
140-14 second
140-14 year after the date the initial directors were elected; and
140-15 (2) the remaining three initial directors serve
140-16 four-year terms that expire on the uniform election date in
140-17 November of the fourth year after the year in which the initial
140-18 directors were elected.
140-19 (d) Section 41.001(a), Election Code, does not apply to a
140-20 confirmation and directors election held as provided by this
140-21 section.
140-22 (e) Except as provided by this section, a confirmation
140-23 and
140-23 directors election must be conducted as provided by Sections
140-24 36.017(b)-(h), Water Code, and the Election Code.
140-25 (f) The Comal County Commissioners Court shall pay the
140-26 expenses of conducting the confirmation and initial directors
141-1 election, subject to reimbursement from the district if the
141-2 establishment of the district is confirmed or from available
141-3 revenues, including funds allocated under Section 36.160, Water
141-4 Code, if the establishment of the district is defeated.
141-5 (g) If the district is defeated, the temporary directors
141-6 may
141-6 call and hold subsequent elections to confirm establishment of
141-7 the
141-7 district. A subsequent election may not be held earlier than the
141-8 first anniversary of the date on which the previous election was
141-9 held. If the district has not been confirmed at an election held
141-10 under this section before the fourth anniversary of the
141-11 effective
141-11 date of this part, the district is dissolved on that date,
141-12 except
141-12 that any debts incurred shall be paid and the organization of
141-13 the
141-13 district shall be maintained until all debts are paid.
141-14 SECTION 3.1009. ELECTION OF PERMANENT DIRECTORS. (a) On
141-15 the uniform election date in November of the second year after
141-16 the
141-16 year in which initial directors are elected, an election shall
141-17 be
141-17 held in the district to elect two permanent directors for the
141-18 positions of the two initial directors serving two-year terms.
141-19 (b) On the uniform election date in November of each
141-20 subsequent second year following the election held under
141-21 Subsection
141-21 (a) of this section, an election shall be held to elect the
141-22 appropriate number of permanent directors to the board.
141-23 SECTION 3.1010. COORDINATION WITH OTHER DISTRICTS. The
141-24 district may coordinate activities with other groundwater
141-25 districts
141-25 that regulate the Trinity Aquifer for the purposes of
141-26 conjunctively
141-26 managing the common resource.
142-1 SECTION 3.1011. MODIFICATION OF DISTRICT. The district
142-2 may

142-2 be modified only under Subchapter J, Chapter 36, Water Code, and
by
142-3 subsequent acts of the legislature.

142-4 SECTION 3.1012. STATUTORY INTERPRETATION. Except as
142-5 otherwise provided by this part, if there is a conflict between
142-6 this part and Chapter 36, Water Code, or Chapter 1331, Acts of
the
142-7 76th Legislature, Regular Session, 1999, this part controls.

142-8 PART 11. TEXANA GROUNDWATER CONSERVATION DISTRICT

142-9 SECTION 3.1101. RATIFICATION OF CREATION. The creation of
142-10 the Texana Groundwater Conservation District in Jackson County
by

142-11 Chapter 1331, Acts of the 76th Legislature, Regular Session,
1999,
142-12 is ratified as required by Section 15(a) of that chapter,

subject
142-13 to approval at a confirmation election under Section 3.1107 of
this
142-14 part.

142-15 SECTION 3.1102. DEFINITION. In this part, "district"
means

142-16 the Texana Groundwater Conservation District.

142-17 SECTION 3.1103. BOUNDARIES. The boundaries of the
district

142-18 are coextensive with the boundaries of Jackson County.

142-19 SECTION 3.1104. GENERAL POWERS. The district has all of
the

142-20 rights, powers, privileges, authority, functions, and duties
142-21 provided by the general law of the state, including Chapter 36,
142-22 Water Code, applicable to groundwater conservation districts
142-23 created under Section 59, Article XVI, Texas Constitution. This
142-24 part prevails over any provision of general law, including
Chapter

142-25 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
142-26 Regular Session, 1999, that is in conflict or inconsistent with
143-1 this part.

143-2 SECTION 3.1105. BOARD OF DIRECTORS. (a) The district is
143-3 governed by a board of seven directors.

143-4 (b) Temporary directors serve until initial directors are
143-5 elected under Section 3.1107 of this part.

143-6 (c) Initial directors serve until permanent directors are
143-7 elected under Section 3.1108 of this part.

143-8 (d) Permanent directors serve staggered four-year terms.

143-9 (e) Each director must qualify to serve as director in the
143-10 manner provided by Section 36.055, Water Code.

143-11 (f) A director serves until the director's successor has
143-12 qualified.

143-13 (g) If there is a vacancy on the board, the remaining
143-14 directors shall appoint a director to serve the remainder of the
143-15 term.

143-16 (h) A director may not receive a salary or other
143-17 compensation for service as a director but may be reimbursed for
143-18 actual expenses of attending meetings at the rate in effect for
143-19 employees of Jackson County.

143-20 SECTION 3.1106. METHOD OF ELECTING DIRECTORS:
COMMISSIONERS

143-21 PRECINCTS. (a) The directors of the district shall be elected
143-22 according to the commissioners precinct method as provided by
this

143-23 section.

143-24 (b) Three directors shall be elected by the qualified
voters

143-25 of the entire district, and one director shall be elected from
each

143-26 county commissioners precinct by the qualified voters of that
144-1 precinct.

144-2 (c) To be qualified to be a candidate for or to serve as a
144-3 director at large, a person must be a registered voter in the
144-4 district. To be a candidate for or to serve as director from a
144-5 county commissioners precinct, a person must be a registered
voter

144-6 of that precinct.

144-7 (d) A person shall indicate on the application for a place
144-8 on the ballot:

144-9 (1) the precinct that the person seeks to represent;

144-10 or

144-11 (2) that the person seeks to represent the district
at

144-12 large.

144-13 (e) When the boundaries of the commissioners precincts
are

144-14 changed, each director in office on the effective date of the
144-15 change or elected to a term of office beginning on or after the
144-16 effective date of the change serves in the precinct to which the
144-17 director was elected for the entire term to which the director
was

144-18 elected, even though the change in boundaries places the
person's

144-19 residence outside the precinct for which the person was elected.

144-20 SECTION 3.1107. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.

144-21 (a) The temporary board of directors shall call and hold an
144-22 election to confirm establishment of the district and to elect
144-23 initial directors.

144-24 (b) At the confirmation and initial directors election,
the

144-25 temporary board of directors shall have placed on the ballot the
144-26 name of any candidate filing for an initial director position
and

145-1 blank spaces to write in the names of other persons. A temporary
145-2 director who is qualified to be a candidate under Sections 3.1105
145-3 and 3.1106 of this part may file for an initial director
position.

145-4 (c) Section 41.001(a), Election Code, does not apply to a
145-5 confirmation and initial directors election held as provided by
145-6 this section.

145-7 (d) Except as provided by this section, a confirmation and
145-8 initial directors election must be conducted as provided by

145-9 Sections 36.017(b)-(h), Water Code, and the Election Code.
145-10 (e) If the majority of the votes cast at an election held
145-11 under this section is against the confirmation of the district,
the
145-12 temporary directors may not call another election under this
145-13 section before the first anniversary of that election.
145-14 SECTION 3.1108. ELECTION OF DIRECTORS. (a) On the first
145-15 Saturday in May of the first even-numbered year after the year
in
145-16 which the district is authorized to be created at a confirmation
145-17 election, an election shall be held in the district for the
145-18 election of two directors at large and two directors
representing
145-19 precincts to serve four-year terms and one director at large and
145-20 two directors representing precincts to serve two-year terms.
145-21 (b) On the first Saturday in May of each subsequent
second
145-22 year following the election, the appropriate number of directors
145-23 shall be elected.
145-24 SECTION 3.1109. LIMITATION ON TAXATION. The district may
145-25 not levy or collect an ad valorem tax at a rate that exceeds two
145-26 cents on each \$100 valuation of taxable property in the
district.
146-1 SECTION 3.1110. CONTRACTS WITH GOVERNMENT ENTITIES.
146-2 (a) The district may contract with other government entities.
146-3 (b) The district may contract with other governmental
146-4 entities, including river authorities located in the district,
for
146-5 the performance of any or all district functions. A river
146-6 authority with which the district contracts under this section
may
146-7 perform district functions as provided by the contract.
146-8 PART 12. TRI-COUNTY GROUNDWATER CONSERVATION DISTRICT
146-9 SECTION 3.1201. RATIFICATION OF CREATION. The creation of
146-10 the Tri-County Groundwater Conservation District in Foard,
146-11 Hardeman, and Wilbarger counties by Chapter 1331, Acts of the
76th
146-12 Legislature, Regular Session, 1999, is ratified as required by
146-13 Section 15(a) of that chapter, subject to approval at a
146-14 confirmation election under Section 3.1207 of this part.
146-15 SECTION 3.1202. DEFINITION. In this part, "district"
means
146-16 the Tri-County Groundwater Conservation District.
146-17 SECTION 3.1203. BOUNDARIES. The boundaries of the
district
146-18 are coextensive with the boundaries of Foard, Hardeman, and
146-19 Wilbarger counties.
146-20 SECTION 3.1204. GENERAL POWERS. The district has all of
the
146-21 rights, powers, privileges, authority, functions, and duties
146-22 provided by the general law of the state, including Chapter 36,
146-23 Water Code, applicable to groundwater conservation districts
146-24 created under Section 59, Article XVI, Texas Constitution. This

146-25 part prevails over any provision of general law, including
Chapter
146-26 36, Water Code, or Chapter 1331, Acts of the 76th Legislature,
147-1 Regular Session, 1999, that is in conflict or inconsistent with
147-2 this part.

147-3 SECTION 3.1205. BOARD OF DIRECTORS. (a) The district is
147-4 governed by a board of six directors. Two directors are
appointed
147-5 by the commissioners court of each county in the district.
147-6 (b) Each director must qualify to serve as director in the
147-7 manner provided by Section 36.055, Water Code.
147-8 (c) Directors other than initial directors serve staggered
147-9 four-year terms.
147-10 (d) A director serves until the director's successor has
147-11 qualified.
147-12 (e) If there is a vacancy on the board, the appropriate
147-13 commissioners court shall appoint a director to serve the
remainder
147-14 of the term.
147-15 (f) The appropriate commissioners court shall appoint a
147-16 director to succeed a director on or before the date the
director's
147-17 term expires.
147-18 (g) A director may not receive a salary or other
147-19 compensation for service as a director but may be reimbursed for
147-20 actual expenses of attending meetings.

147-21 SECTION 3.1206. APPOINTMENT AND TERMS OF INITIAL
DIRECTORS.
147-22 (a) As soon as practicable after September 1, 2001, the
147-23 commissioners courts of Foard, Hardeman, and Wilbarger counties
147-24 shall each appoint two initial directors.
147-25 (b) The initial directors serve terms as follows:
147-26 (1) the two initial directors appointed by the
Foard
148-1 County Commissioners Court serve terms expiring February 1, 2002;
148-2 (2) the two initial directors appointed by the
148-3 Hardeman County Commissioners Court serve terms expiring February
148-4 1, 2004; and
148-5 (3) the two initial directors appointed by the
148-6 Wilbarger County Commissioners Court serve terms expiring
February
148-7 1, 2006.

148-8 SECTION 3.1207. CONFIRMATION ELECTION. (a) The board of
148-9 directors shall call and hold an election to confirm the
148-10 establishment of the district.
148-11 (b) Section 41.001(a), Election Code, does not apply to a
148-12 confirmation election held as provided by this section.
148-13 (c) Except as provided by this section, a confirmation
148-14 election must be conducted as provided by Sections 36.017(b)-
(h),
148-15 Water Code, and the Election Code.

148-16 SECTION 3.1208. TAXING AUTHORITY. The district may levy
and

148-17 collect an ad valorem tax in the district at a rate not to
148-18 exceed
148-19 one cent on each \$100 of assessed valuation.
148-20 SECTION 3.1209. EXPIRATION. If the creation of the
148-21 district
148-22 is not confirmed at a confirmation election held under Section
148-23 3.1207 of this part before September 1, 2003, the district is
148-24 dissolved and this part expires on that date.
148-25 PART 13. BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT
148-26 SECTION 3.1301. RATIFICATION OF CREATION. The creation
by
148-27 Chapter 1331, Acts of the 76th Legislature, Regular Session,
148-28 1999,
148-29 of the Brazos Valley Groundwater Conservation District in
148-30 Robertson
149-1 and Brazos counties is ratified as required by Section 15(a) of
149-2 that Act, subject to approval at a confirmation election under
149-3 Section 3.1312 of this part.
149-4 SECTION 3.1302. DEFINITION. In this part, "district"
149-5 means
149-6 the Brazos Valley Groundwater Conservation District.
149-7 SECTION 3.1303. BOUNDARIES. The boundaries of the
149-8 district
149-9 are coextensive with the boundaries of Robertson and Brazos
149-10 counties, Texas.
149-11 SECTION 3.1304. GENERAL POWERS. (a) Except as otherwise
149-12 provided by this part, the district has all of the rights,
149-13 powers,
149-14 privileges, authority, functions, and duties provided by the
149-15 general law of this state, including Chapter 36, Water Code,
149-16 applicable to groundwater conservation districts created under
149-17 Section 59, Article XVI, Texas Constitution. This part prevails
149-18 over any provision of general law that is in conflict or
149-19 inconsistent with this part, including any provision of Chapter
149-20 36,
149-21 Water Code, or Chapter 1331, Acts of the 76th Legislature,
149-22 Regular
149-23 Session, 1999.
149-24 (b) The district does not have the authority granted by
149-25 the
149-26 following provisions of Chapter 36, Water Code:
149-27 (1) Section 36.105, relating to eminent domain; and
149-28 (2) Sections 36.020 and 36.201-36.204, relating to
149-29 taxes.
149-30 SECTION 3.1305. BONDS. The district may issue bonds and
150-1 notes under Sections 36.171-36.181, Water Code, not to exceed
150-2 \$500,000 of total indebtedness at any time.
150-3 SECTION 3.1306. FEES. (a) The board of directors of the
150-4 district by rule may impose reasonable fees on each well for
150-5 which
150-6 a permit is issued by the district and which is not exempt from
150-7 regulation by the district. A fee may be based on the size of
150-8 column pipe used by the well or on the actual, authorized, or
150-9 anticipated amount of water to be withdrawn from the well.
150-10

150-7 (b) The initial fee shall be based on the amount of water
to
150-8 be withdrawn from the well. The initial fee:
150-9 (1) may not exceed:
150-10 (A) \$0.25 per acre-foot for water used for
150-11 irrigating agricultural crops or operating existing steam
electric
150-12 stations; or
150-13 (B) \$0.0425 per thousand gallons for water
used
150-14 for any other purpose; and
150-15 (2) may be increased at a cumulative rate not to
150-16 exceed three percent per year.
150-17 (c) In addition to the fee authorized under Subsection
(b)
150-18 of this section, the district may impose a reasonable fee or
150-19 surcharge for an export fee using one of the following methods:
150-20 (1) a fee negotiated between the district and the
150-21 transporter; or
150-22 (2) a combined production and export fee not to
exceed
150-23 17 cents per thousand gallons for water used.
150-24 SECTION 3.1307. GROUNDWATER WELLS UNDER JURISDICTION OF
150-25 RAILROAD COMMISSION. (a) Groundwater wells drilled or operated
150-26 within the district under permits issued by the Railroad
Commission
151-1 of Texas are under the exclusive jurisdiction of the railroad
151-2 commission and are exempt from regulation by the district.
151-3 (b) Groundwater produced in an amount authorized by a
151-4 railroad commission permit may be used within or exported from
the
151-5 district without obtaining a permit from the district.
151-6 (c) To the extent groundwater production exceeds railroad
151-7 commission authorization, the holder of the railroad commission
151-8 permit must apply to the district for appropriate permits for the
151-9 excess production and is subject to the applicable regulatory
fees.
151-10 (d) Groundwater produced from wells under the
jurisdiction
151-11 of the railroad commission is generally exempt from water
district
151-12 fees. However, the district may impose either a pumping fee or
an
151-13 export fee on groundwater produced from an otherwise exempt mine
151-14 well that is used for municipal purposes or by a public utility.
151-15 Any fee imposed by the district under this subsection may not
151-16 exceed the fee imposed on other groundwater producers in the
151-17 district.
151-18 SECTION 3.1308. REGIONAL COOPERATION. (a) To provide
for
151-19 regional continuity, the district shall:
151-20 (1) participate in a regular annual coordination
151-21 meeting with other groundwater districts in its designated

151-22 management area and may hold coordination meetings at other
times
151-23 as needed;
151-24 (2) coordinate the collection of data with other
151-25 groundwater districts in its designated management area in such
a
151-26 way as to achieve relative uniformity of data type and quality;
152-1 (3) coordinate efforts to monitor water quality with
152-2 other groundwater districts in its designated management area,
152-3 local governments, and state agencies;
152-4 (4) provide groundwater level data to other
152-5 groundwater districts in its designated management area;
152-6 (5) investigate any groundwater and aquifer
pollution
152-7 with the intention of locating its source;
152-8 (6) notify other groundwater districts in its
152-9 designated management area and all appropriate agencies of any
152-10 detected groundwater pollution;
152-11 (7) annually provide to other groundwater districts
in
152-12 its designated management area an inventory of water wells and
an
152-13 estimate of groundwater production within the district; and
152-14 (8) include other groundwater districts in its
152-15 designated management area on the mailing lists for district
152-16 newsletters, seminars, public education events, news articles,
and
152-17 field days.
152-18 (b) The district shall prepare a comprehensive management
152-19 plan as required by Section 36.1071, Water Code, covering that
152-20 district's respective territory. On completion and
certification
152-21 of the plan as required by Section 36.1072, Water Code, the
152-22 district shall forward a copy of the new or revised management
plan
152-23 to the other districts in its designated management area. The
152-24 district shall consider the management plans individually and
shall
152-25 compare them to other management plans in the designated
management
152-26 area.
153-1 (1) The district shall, by resolution, call for
joint
153-2 planning with the other districts in the designated management
area
153-3 to review and coordinate the management plans and accomplishments
153-4 for the designated management area. In reviewing and
coordinating
153-5 the management plans, the boards shall consider:
153-6 (A) the goals of each management plan and its
153-7 impact on planning throughout the management area;
153-8 (B) the groundwater management standards of
each

153-9 district describing the desired condition of the groundwater
source
153-10 over time as indicated by indices of quantity of water in the
153-11 source, quality of water produced from the source, springflows,
or
153-12 subsidence of the land surface;
153-13 (C) the groundwater withdrawal rates adopted
by
153-14 each district and the effectiveness of those rates in achieving
the
153-15 groundwater management standard of the district;
153-16 (D) the effectiveness of the measures
153-17 established by each management plan for conserving and
protecting
153-18 groundwater and preventing waste, and the effectiveness of these
153-19 measures in the management area generally; and
153-20 (E) any other matters that the boards
consider
153-21 relevant to the protection and conservation of groundwater and
the
153-22 prevention of waste in the management area.
153-23 (2) In the management plan the district may
establish
153-24 and coordinate with the other districts within the designated
153-25 management area an annual total groundwater withdrawal limit and
153-26 equitable allocation as determined from an evaluation of the
154-1 overall scientific data of the groundwater resources in the
region,
154-2 including the Texas Water Development Board's groundwater
154-3 availability model. The determination of sustainable groundwater
154-4 withdrawal shall be reviewed at least every five years.
154-5 (3) Each district participating in the joint
planning
154-6 process initiated under this subsection shall ensure that the
154-7 groundwater management standards adopted by the district are
154-8 adequate to protect the groundwater within the area of each
154-9 district and are not incompatible with the groundwater management
154-10 standards adopted by the other districts in the management area.
154-11 (4) If a joint meeting of the boards of directors
is
154-12 called, the meeting must be held in accordance with Chapter 551,
154-13 Government Code. Notice of the meeting shall be given in
154-14 accordance with the requirements for notice of district board of
154-15 directors meetings under that chapter. In addition, notice of
the
154-16 meeting shall be published not later than the 30th day before
the
154-17 date of the scheduled meeting in a newspaper with general
154-18 circulation in each county in the management area.
154-19 (5) A district in the management area may file with
154-20 good cause a petition with the Texas Natural Resource
Conservation
154-21 Commission requesting an inquiry if the petitioner district
adopted

154-22 a resolution calling for joint planning and the other district
or
154-23 districts refused to join in the planning process or the process
154-24 failed to result in adequate planning, and the petition provides
154-25 evidence that:

154-26 (A) another district in the management area
has
155-1 failed to adopt rules;

155-2 (B) the groundwater in the management area is
155-3 not adequately protected by the rules adopted by another
district;

155-4 or
155-5 (C) the groundwater in the management area is
155-6 not adequately protected due to the failure of another district
to
155-7 enforce substantial compliance with its rules.

155-8 (6) The district may contract to jointly conduct
155-9 studies or research, or to construct projects, under terms and
155-10 conditions that the districts consider beneficial with districts
155-11 located within the same management area or in adjacent
management
155-12 areas. These joint efforts may include studies of groundwater
155-13 availability and quality, aquifer modeling, and the interaction
of
155-14 groundwater and surface water; educational programs; the
purchase
155-15 and sharing of equipment; and the implementation of projects to
155-16 make groundwater available, including aquifer recharge, brush
155-17 control, weather modification, desalination, regionalization,
and
155-18 treatment or conveyance facilities. The districts may contract
155-19 under their existing authorizations including those of Chapter
791,
155-20 Government Code, if their contracting authority is not limited
by
155-21 Sections 791.011(c)(2) and (d)(3) and Section 791.014,
Government
155-22 Code.

155-23 (c) The district shall determine biennially, using the
155-24 overall available scientific data of groundwater resources in
the
155-25 Central Carrizo-Wilcox area, whether pumping within the district
or
155-26 an adjacent district is unreasonably affecting groundwater
wells.

156-1 The district, in agreement with other districts within the
156-2 designated management area, may adopt mitigation measures in
156-3 response to such unreasonable adverse effects only if the
measures
156-4 are based on a scientific determination made.

156-5 (d) The district may assist in the mediation between
156-6 landowners regarding the mitigation of the loss of existing
156-7 groundwater supply of exempt domestic and livestock users due to
156-8 the groundwater pumping of others in adjoining districts.

156-9 SECTION 3.1309. BOARD OF DIRECTORS. (a) The district is
156-10 governed by a board of eight directors.
156-11 (b) Initial directors serve until permanent directors are
156-12 appointed under Section 3.1310 of this part and qualified as
156-13 required by Subsection (d) of this section.
156-14 (c) Permanent directors serve four-year staggered terms.
156-15 (d) Each director must qualify to serve as a director in
156-16 the
156-17 manner provided by Section 36.055, Water Code.
156-18 (e) A director serves until the director's successor has
156-19 qualified.
156-20 (f) A director may serve consecutive terms.
156-21 (g) If there is a vacancy on the board, the governing
156-22 body
156-23 of the entity that appointed the director who vacated the office
156-24 shall appoint a director to serve the remainder of the term.
156-25 (h) Directors are not entitled to receive compensation
156-26 for
156-27 serving as a director but may be reimbursed for actual,
156-28 reasonable
156-29 expenses incurred in the discharge of official duties.
156-30 (i) A majority vote of a quorum is required for board
157-1 action. If there is a tie vote, the proposed action fails.
157-2 SECTION 3.1310. APPOINTMENT OF DIRECTORS. (a) The
157-3 Robertson County Commissioners Court shall appoint four
157-4 directors,
157-5 of whom:
157-6 (1) one must represent municipal interests in the
157-7 county;
157-8 (2) one must represent agricultural interests in the
157-9 county;
157-10 (3) one must represent rural water suppliers'
157-11 interests in the county; and
157-12 (4) one must represent industrial interests in the
157-13 county.
157-14 (b) The Brazos County Commissioners Court shall appoint
157-15 two
157-16 directors, of whom:
157-17 (1) one must represent rural water suppliers'
157-18 interests in the county; and
157-19 (2) one must represent agricultural interests in
157-20 the
157-21 county.
157-22 (c) The governing body of the City of Bryan, with the
157-23 approval of the Brazos County Commissioners Court, shall appoint
157-24 one director.
157-25 (d) The governing body of the City of College Station,
157-26 with
157-27 the approval of the Brazos County Commissioners Court, shall
157-28 appoint one director.
157-29 (e) Each of the governing bodies authorized by this
158-1 section
158-2 to make an appointment shall appoint the appropriate number of
158-3 initial directors as soon as practicable following the effective

158-2 date of this Act, but not later than the 45th day after the
158-3 effective date of this Act.

158-4 (f) The four initial directors from Robertson County shall
158-5 draw lots to determine their terms. Two initial directors from
158-6 Robertson County and the two initial directors from Brazos County
158-7 serve terms that expire on January 1 of the second year following
158-8 the confirmation of the district at an election held under

Section

158-9 3.1312 of this part. The remaining four initial directors serve
158-10 terms that expire on January 1 of the fourth year following the
158-11 confirmation of the district. On January 1 of the second year
158-12 following confirmation of the district and every two years after
158-13 that date, the appropriate governing body shall appoint the
158-14 appropriate number of permanent directors.

158-15 SECTION 3.1311. ORGANIZATIONAL MEETING. As soon as
158-16 practicable after all the initial directors have been appointed
and

158-17 have qualified as provided in this part, a majority of the
158-18 directors shall convene the organizational meeting of the

district

158-19 at a location within the district agreeable to a majority of the
158-20 directors. If no location can be agreed on, the organizational
158-21 meeting of the directors shall be at the Robertson County
158-22 Courthouse.

158-23 SECTION 3.1312. CONFIRMATION ELECTION. (a) The initial
158-24 board of directors shall call and hold an election on the same
date

158-25 in each county within the district to confirm the creation of
the
158-26 district.

159-1 (b) Except as provided by this section, a confirmation
159-2 election must be conducted as provided by Sections 36.017,

36.018,

159-3 and 36.019, Water Code, and Section 41.001, Election Code.

159-4 (c) Confirmation of the district requires a vote in favor
of

159-5 confirmation by a majority of the qualified voters voting in the
159-6 election.

159-7 (d) The district is dissolved and this part expires on
159-8 August 31, 2003, unless the voters confirm the creation of the
159-9 district before that date.

159-10 PART 14. POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT

159-11 SECTION 3.1401. CREATION. (a) A groundwater
conservation

159-12 district, to be known as the Post Oak Savannah Groundwater
159-13 Conservation District, is created in Milam and Burleson
counties,

159-14 subject to approval at a confirmation election under Section
3.1412

159-15 of this part. The district is a governmental agency and a body
159-16 politic and corporate.

159-17 (b) The district is created under and is essential to
159-18 accomplish the purposes of Section 59, Article XVI, Texas
159-19 Constitution.

159-20 SECTION 3.1402. DEFINITION. In this part, "district"
means
159-21 the Post Oak Savannah Groundwater Conservation District.
159-22 SECTION 3.1403. BOUNDARIES. The boundaries of the
district
159-23 are coextensive with the boundaries of Milam and Burleson
counties.
159-24 SECTION 3.1404. FINDING OF BENEFIT. All of the land and
159-25 other property included within the boundaries of the district
will
159-26 be benefited by the works and projects that are to be
accomplished
160-1 by the district under powers conferred by Section 59, Article
XVI,
160-2 Texas Constitution. The district is created to serve a public
use
160-3 and benefit.
160-4 SECTION 3.1405. GENERAL POWERS. (a) Except as otherwise
160-5 provided by this part, the district has all of the rights,
powers,
160-6 privileges, authority, functions, and duties provided by the
160-7 general law of this state, including Chapter 36, Water Code,
160-8 applicable to groundwater conservation districts created under
160-9 Section 59, Article XVI, Texas Constitution. This part prevails
160-10 over any provision of general law that is in conflict or
160-11 inconsistent with this part, including any provision of Chapter
36,
160-12 Water Code.
160-13 (b) The district does not have the authority granted by
the
160-14 following provisions of Chapter 36, Water Code:
160-15 (1) Section 36.105, relating to eminent domain; and
160-16 (2) Sections 36.020 and 36.201-36.204, relating to
160-17 taxes.
160-18 SECTION 3.1406. FEES. (a) The board of directors of the
160-19 district by rule may impose reasonable fees on each well for
which
160-20 a permit is issued by the district and which is not exempt from
160-21 regulation by the district. A fee may be based on the size of
160-22 column pipe used by the well or on the actual, authorized, or
160-23 anticipated amount of water to be withdrawn from the well.
160-24 (b) Fees may not exceed:
160-25 (1) one dollar per acre-foot for water used for
160-26 irrigating agricultural crops; or
161-1 (2) 17 cents per thousand gallons for water used for
161-2 any other purpose.
161-3 (c) In addition to the fee authorized under Subsection (b)
161-4 of this section, the district may impose a reasonable fee or
161-5 surcharge for an export fee using one of the following methods:
161-6 (1) a fee negotiated between the district and the
161-7 transporter; or
161-8 (2) a combined production and export fee not to
exceed
161-9 17 cents per thousand gallons for water used.

161-10 SECTION 3.1407. GROUNDWATER WELLS UNDER JURISDICTION OF
161-11 RAILROAD COMMISSION. (a) Groundwater wells drilled or operated
161-12 within the district under permits issued by the Railroad
Commission
161-13 of Texas are under the exclusive jurisdiction of the railroad
161-14 commission and are exempt from regulation by the district.
161-15 (b) Groundwater produced in an amount authorized by a
161-16 Railroad Commission of Texas permit may be used within or
exported
161-17 from the district without obtaining a permit from the district.
161-18 (c) To the extent groundwater production exceeds Railroad
161-19 Commission of Texas authorization, the holder of the railroad
161-20 commission permit must apply to the district for appropriate
161-21 permits for the excess production and is subject to the
applicable
161-22 regulatory fees.
161-23 (d) Groundwater produced from wells under the
jurisdiction
161-24 of the Railroad Commission of Texas is generally exempt from
water
161-25 district fees. However, the district may impose either a
pumping
161-26 fee or an export fee on groundwater produced from an otherwise
162-1 exempt mine well that is used for municipal purposes or by a
public
162-2 utility. Any fee imposed by the district under this subsection
may
162-3 not exceed the fee imposed on other groundwater producers in the
162-4 district.
162-5 SECTION 3.1408. REGIONAL COOPERATION. (a) To provide for
162-6 regional continuity, the district shall:
162-7 (1) participate in a regular annual coordination
162-8 meeting with other groundwater districts in its designated
162-9 management area and may hold coordination meetings at other times
162-10 as needed;
162-11 (2) coordinate the collection of data with other
162-12 groundwater districts in its designated management area in such
a
162-13 way as to achieve relative uniformity of data type and quality;
162-14 (3) coordinate efforts to monitor water quality
with
162-15 other groundwater districts in its designated management area,
162-16 local governments, and state agencies;
162-17 (4) provide groundwater level data to other
162-18 groundwater districts in its designated management area;
162-19 (5) investigate any groundwater and aquifer
pollution
162-20 with the intention of locating its source;
162-21 (6) notify other groundwater districts in its
162-22 designated management area and all appropriate agencies of any
162-23 detected groundwater pollution;
162-24 (7) annually provide to other groundwater districts
in

162-25 its designated management area an inventory of water wells and
an
162-26 estimate of groundwater production within the district; and
163-1 (8) include other groundwater districts in its
163-2 designated management area on the mailing lists for district
163-3 newsletters, seminars, public education events, news articles,
and
163-4 field days.
163-5 (b) The district shall prepare a comprehensive management
163-6 plan as required by Section 36.1071, Water Code, covering that
163-7 district's respective territory. On completion and certification
163-8 of the plan as required by Section 36.1072, Water Code, the
163-9 district shall forward a copy of the new or revised management
plan
163-10 to the other districts in its designated management area. The
163-11 district shall consider the management plans individually and
shall
163-12 compare them to other management plans in the designated
management
163-13 area.
163-14 (1) The district shall, by resolution, call for
joint
163-15 planning with the other districts in the designated management
area
163-16 to review and coordinate the management plans and
accomplishments
163-17 for the designated management area. In reviewing and
coordinating
163-18 the management plans, the boards shall consider:
163-19 (A) the goals of each management plan and its
163-20 impact on planning throughout the management area;
163-21 (B) the groundwater management standards of
each
163-22 district describing the desired condition of the groundwater
source
163-23 over time as indicated by indices of quantity of water in the
163-24 source, quality of water produced from the source, springflows,
or
163-25 subsidence of the land surface;
163-26 (C) the groundwater withdrawal rates adopted
by
164-1 each district and the effectiveness of those rates in achieving
the
164-2 groundwater management standard of the district;
164-3 (D) the effectiveness of the measures
164-4 established by each management plan for conserving and protecting
164-5 groundwater and preventing waste, and the effectiveness of these
164-6 measures in the management area generally; and
164-7 (E) any other matters that the boards consider
164-8 relevant to the protection and conservation of groundwater and
the
164-9 prevention of waste in the management area.
164-10 (2) In the management plan the district may
establish

164-11 and coordinate with the other districts within the designated
164-12 management area an annual total groundwater withdrawal limit and
164-13 equitable allocation as determined from an evaluation of the
164-14 overall scientific data of the groundwater resources in the
region,
164-15 including the Texas Water Development Board's groundwater
164-16 availability model. The determination of sustainable
groundwater
164-17 withdrawal shall be reviewed at least every five years.

164-18 (3) Each district participating in the joint
planning

164-19 process initiated under this subsection shall ensure that the
164-20 groundwater management standards adopted by the district are
164-21 adequate to protect the groundwater within the area of each
164-22 district and are not incompatible with the groundwater
management

164-23 standards adopted by the other districts in the management area.

164-24 (4) If a joint meeting of the boards of directors
is

164-25 called, the meeting must be held in accordance with Chapter 551,
164-26 Government Code. Notice of the meeting shall be given in

165-1 accordance with the requirements for notice of district board of
165-2 directors meetings under that chapter. In addition, notice of
the

165-3 meeting shall be published not later than the 30th day before the
165-4 date of the scheduled meeting in a newspaper with general
165-5 circulation in each county in the management area.

165-6 (5) A district in the management area may file with
165-7 good cause a petition with the Texas Natural Resource

Conservation

165-8 Commission requesting an inquiry if the petitioner district
adopted

165-9 a resolution calling for joint planning and the other district or
165-10 districts refused to join in the planning process or the process
165-11 failed to result in adequate planning, and the petition provides
165-12 evidence that:

165-13 (A) another district in the management area
has

165-14 failed to adopt rules;

165-15 (B) the groundwater in the management area is
165-16 not adequately protected by the rules adopted by another

district;

165-17 or

165-18 (C) the groundwater in the management area is
165-19 not adequately protected due to the failure of another district
to

165-20 enforce substantial compliance with its rules.

165-21 (6) The district may contract to jointly conduct
165-22 studies or research, or to construct projects, under terms and
165-23 conditions that the districts consider beneficial with districts
165-24 located within the same management area or in adjacent

management

165-25 areas. These joint efforts may include studies of groundwater

165-26 availability and quality, aquifer modeling, and the interaction
of
166-1 groundwater and surface water; educational programs; the purchase
166-2 and sharing of equipment; and the implementation of projects to
166-3 make groundwater available, including aquifer recharge, brush
166-4 control, weather modification, desalination, regionalization, and
166-5 treatment or conveyance facilities. The districts may contract
166-6 under their existing authorizations including those of Chapter
791,
166-7 Government Code, if their contracting authority is not limited by
166-8 Sections 791.011(c) (2) and (d) (3) and Section 791.014, Government
166-9 Code.

166-10 (c) The district shall determine biennially, using the
166-11 overall available scientific data of groundwater resources in
the
166-12 Central Carrizo-Wilcox area, whether pumping within the district
or
166-13 an adjacent district is unreasonably affecting groundwater
wells.
166-14 The district, in agreement with other districts within the
166-15 designated management area, may adopt mitigation measures in
166-16 response to such unreasonable adverse effects only if the
measures
166-17 are based on a scientific determination made.

166-18 (d) The district may assist in the mediation between
166-19 landowners regarding the mitigation of the loss of existing
166-20 groundwater supply of exempt domestic and livestock users due to
166-21 the groundwater pumping of others in adjoining districts.

166-22 SECTION 3.1409. BOARD OF DIRECTORS. (a) The district is
166-23 governed by a board of 10 directors.

166-24 (b) Initial directors serve until permanent directors are
166-25 appointed under Section 3.1410 of this part and qualified as
166-26 required by Subsection (d) of this section.

167-1 (c) Permanent directors serve four-year staggered terms.

167-2 (d) Each director must qualify to serve as a director in
the
167-3 manner provided by Section 36.055, Water Code.

167-4 (e) A director serves until the director's successor has
167-5 qualified.

167-6 (f) A director may serve consecutive terms.

167-7 (g) If there is a vacancy on the board, the governing body
167-8 of the entity that appointed the director who vacated the office
167-9 shall appoint a director to serve the remainder of the term.

167-10 (h) Directors are not entitled to receive compensation
for

167-11 serving as a director but may be reimbursed for actual,
reasonable

167-12 expenses incurred in the discharge of official duties.

167-13 (i) A quorum exists when at least two-thirds of the board
167-14 members are present. A majority vote of a quorum is required
for

167-15 board action. If there is a tie vote, the proposed action
fails.

167-16 SECTION 3.1410. APPOINTMENT OF DIRECTORS. (a) The Milam

167-17 County Commissioners Court shall appoint five directors, of
whom:
167-18 (1) one must represent municipal interests in the
167-19 county;
167-20 (2) one must represent agricultural interests in
the
167-21 county;
167-22 (3) one must represent rural water suppliers'
167-23 interests in the county;
167-24 (4) one must represent industrial interests in the
167-25 county; and
167-26 (5) one must represent the interests of the county
at

168-1 large.

168-2 (b) The Burleson County Commissioners Court shall appoint
168-3 five directors, of whom:

168-4 (1) one must represent municipal interests in the
168-5 county;
168-6 (2) one must represent agricultural interests in the
168-7 county;
168-8 (3) one must represent rural water suppliers'
168-9 interests in the county;
168-10 (4) one must represent industrial interests in the
168-11 county; and
168-12 (5) one must represent the interests of the county
at

168-13 large.

168-14 (c) Each of the governing bodies authorized by this
section

168-15 to make an appointment shall appoint the appropriate number of
168-16 initial directors as soon as practicable following the effective
168-17 date of this Act, but not later than the 45th day after the
168-18 effective date of this Act.

168-19 (d) The initial directors shall draw lots to determine
their

168-20 terms. Two initial directors from Milam County and two initial
168-21 directors from Burleson County serve terms that expire on

January 1

168-22 of the second year following the confirmation of the district at
an

168-23 election held under Section 3.1412 of this part. The remaining
six

168-24 initial directors serve terms that expire on January 1 of the
168-25 fourth year following the confirmation of the district. On

January

168-26 1 of the second year following confirmation of the district and
169-1 every two years after that date, the appropriate commissioners

169-2 court shall appoint the appropriate number of permanent
directors.

169-3 SECTION 3.1411. ORGANIZATIONAL MEETING. As soon as
169-4 practicable after all the initial directors have been appointed
and

169-5 have qualified as provided in this part, a majority of the

169-6 directors shall convene the organizational meeting of the
169-7 district
169-7 at a location within the district agreeable to a majority of the
169-8 directors. If no location can be agreed on, the organizational
169-9 meeting of the directors shall be at the Milam County Courthouse.
169-10 SECTION 3.1412. CONFIRMATION ELECTION. (a) The initial
169-11 board of directors shall call and hold an election on the same
169-12 date
169-12 in each county within the district to confirm the creation of
169-13 the
169-13 district.
169-14 (b) Except as provided by this section, a confirmation
169-15 election must be conducted as provided by Sections 36.017,
169-16 36.018,
169-16 and 36.019, Water Code, and Section 41.001, Election Code.
169-17 (c) If the majority of qualified voters in a county who
169-18 vote
169-18 in the election vote to confirm the creation of the district,
169-19 that
169-19 county is included in the district.
169-20 (d) The district is dissolved and this part expires on
169-21 August 31, 2003, unless the voters confirm the creation of the
169-22 district before that date.
169-23 PART 15. MID-EAST TEXAS GROUNDWATER CONSERVATION DISTRICT
169-24 SECTION 3.1501. CREATION. (a) A groundwater
169-25 conservation
169-25 district, to be known as the Mid-East Texas Groundwater
169-26 Conservation District, is created in Leon, Madison, and
169-27 Freestone
170-1 counties, subject to approval at a confirmation election under
170-2 Section 3.1512 of this part. The district is a governmental
170-3 agency
170-3 and a body politic and corporate.
170-4 (b) The district is created under and is essential to
170-5 accomplish the purposes of Section 59, Article XVI, Texas
170-6 Constitution.
170-7 SECTION 3.1502. DEFINITION. In this part, "district"
170-8 means
170-8 the Mid-East Texas Groundwater Conservation District.
170-9 SECTION 3.1503. BOUNDARIES. The boundaries of the
170-10 district
170-10 are coextensive with the boundaries of Leon, Madison, and
170-11 Freestone
170-11 counties.
170-12 SECTION 3.1504. FINDING OF BENEFIT. All of the land and
170-13 other property included within the boundaries of the district
170-14 will
170-14 be benefited by the works and projects that are to be
170-15 accomplished
170-15 by the district under powers conferred by Section 59, Article
170-16 XVI,
170-16 Texas Constitution. The district is created to serve a public
170-17 use
170-17 and benefit.

170-18 SECTION 3.1505. GENERAL POWERS. (a) Except as otherwise
170-19 provided by this part, the district has all of the rights,
170-20 powers,
170-21 privileges, authority, functions, and duties provided by the
170-22 general law of this state, including Chapter 36, Water Code,
170-23 applicable to groundwater conservation districts created under
170-24 Section 59, Article XVI, Texas Constitution. This part prevails
170-25 over any provision of general law that is in conflict or
36,
170-26 Water Code.

171-1 (b) The district does not have the authority granted by
the
171-2 following provisions of Chapter 36, Water Code:
171-3 (1) Section 36.105, relating to eminent domain; and
171-4 (2) Sections 36.020 and 36.201-36.204, relating to
171-5 taxes.

171-6 SECTION 3.1506. FEES. (a) The board of directors of the
171-7 district by rule may impose reasonable fees on each well for
which
171-8 a permit is issued by the district and which is not exempt from
171-9 regulation by the district. A fee may be based on the size of
171-10 column pipe used by the well or on the actual, authorized, or
171-11 anticipated amount of water to be withdrawn from the well.

171-12 (b) Fees may not exceed:
171-13 (1) one dollar per acre-foot for water used for
171-14 irrigating agricultural crops; or
171-15 (2) 17 cents per thousand gallons for water used
for
171-16 any other purpose.

171-17 (c) In addition to the fee authorized under Subsection
(b)
171-18 of this section, the district may impose a reasonable fee or
171-19 surcharge for an export fee using one of the following methods:
171-20 (1) a fee negotiated between the district and the
171-21 transporter; or
171-22 (2) a combined production and export fee not to
exceed
171-23 17 cents per thousand gallons for water used.

171-24 SECTION 3.1507. GROUNDWATER WELLS UNDER JURISDICTION OF
171-25 RAILROAD COMMISSION. (a) Groundwater wells drilled or operated
171-26 within the district under permits issued by the Railroad
Commission

172-1 of Texas are under the exclusive jurisdiction of the railroad
172-2 commission and are exempt from regulation by the district.

172-3 (b) Groundwater produced in an amount authorized by a
172-4 Railroad Commission of Texas permit may be used within or
exported

172-5 from the district without obtaining a permit from the district.

172-6 (c) To the extent groundwater production exceeds Railroad
172-7 Commission of Texas authorization, the holder of the railroad
172-8 commission permit must apply to the district for appropriate
172-9 permits for the excess production and is subject to the
applicable

172-10 regulatory fees.

172-11 (d) Groundwater produced from wells under the
jurisdiction

172-12 of the Railroad Commission of Texas is generally exempt from
water

172-13 district fees. However, the district may impose either a
pumping

172-14 fee or an export fee on groundwater produced from an otherwise
172-15 exempt mine well that is used for municipal purposes or by a

public

172-16 utility. Any fee imposed by the district under this subsection
may

172-17 not exceed the fee imposed on other groundwater producers in the

172-18 district.

172-19 SECTION 3.1508. REGIONAL COOPERATION. (a) To provide
for

172-20 regional continuity, the district shall:

172-21 (1) participate in a regular annual coordination

172-22 meeting with other groundwater districts in its designated

172-23 management area and may hold coordination meetings at other
times

172-24 as needed;

172-25 (2) coordinate the collection of data with other

172-26 groundwater districts in its designated management area in such
a

173-1 way as to achieve relative uniformity of data type and quality;

173-2 (3) coordinate efforts to monitor water quality with

173-3 other groundwater districts in its designated management area,

173-4 local governments, and state agencies;

173-5 (4) provide groundwater level data to other

173-6 groundwater districts in its designated management area;

173-7 (5) investigate any groundwater and aquifer

pollution

173-8 with the intention of locating its source;

173-9 (6) notify other groundwater districts in its

173-10 designated management area and all appropriate agencies of any

173-11 detected groundwater pollution;

173-12 (7) annually provide to other groundwater districts
in

173-13 its designated management area an inventory of water wells and
an

173-14 estimate of groundwater production within the district; and

173-15 (8) include other groundwater districts in its

173-16 designated management area on the mailing lists for district

173-17 newsletters, seminars, public education events, news articles,
and

173-18 field days.

173-19 (b) The district shall prepare a comprehensive management

173-20 plan as required by Section 36.1071, Water Code, covering that

173-21 district's respective territory. On completion and

certification

173-22 of the plan as required by Section 36.1072, Water Code, the

173-23 district shall forward a copy of the new or revised management

plan

173-24 to the other districts in its designated management area. The
173-25 district shall consider the management plans individually and
shall
173-26 compare them to other management plans in the designated
management
174-1 area.
174-2 (1) The district shall, by resolution, call for
joint
174-3 planning with the other districts in the designated management
area
174-4 to review and coordinate the management plans and accomplishments
174-5 for the designated management area. In reviewing and
coordinating
174-6 the management plans, the boards shall consider:
174-7 (A) the goals of each management plan and its
174-8 impact on planning throughout the management area;
174-9 (B) the groundwater management standards of
each
174-10 district describing the desired condition of the groundwater
source
174-11 over time as indicated by indices of quantity of water in the
174-12 source, quality of water produced from the source, springflows,
or
174-13 subsidence of the land surface;
174-14 (C) the groundwater withdrawal rates adopted
by
174-15 each district and the effectiveness of those rates in achieving
the
174-16 groundwater management standard of the district;
174-17 (D) the effectiveness of the measures
174-18 established by each management plan for conserving and
protecting
174-19 groundwater and preventing waste, and the effectiveness of these
174-20 measures in the management area generally; and
174-21 (E) any other matters that the boards
consider
174-22 relevant to the protection and conservation of groundwater and
the
174-23 prevention of waste in the management area.
174-24 (2) In the management plan the district may
establish
174-25 and coordinate with the other districts within the designated
174-26 management area an annual total groundwater withdrawal limit and
175-1 equitable allocation as determined from an evaluation of the
175-2 overall scientific data of the groundwater resources in the
region,
175-3 including the Texas Water Development Board's groundwater
175-4 availability model. The determination of sustainable groundwater
175-5 withdrawal shall be reviewed at least every five years.
175-6 (3) Each district participating in the joint
planning
175-7 process initiated under this subsection shall ensure that the
175-8 groundwater management standards adopted by the district are
175-9 adequate to protect the groundwater within the area of each

175-10 district and are not incompatible with the groundwater
management
175-11 standards adopted by the other districts in the management area.
175-12 (4) If a joint meeting of the boards of directors
is
175-13 called, the meeting must be held in accordance with Chapter 551,
175-14 Government Code. Notice of the meeting shall be given in
175-15 accordance with the requirements for notice of district board of
175-16 directors meetings under that chapter. In addition, notice of
the
175-17 meeting shall be published not later than the 30th day before
the
175-18 date of the scheduled meeting in a newspaper with general
175-19 circulation in each county in the management area.
175-20 (5) A district in the management area may file with
175-21 good cause a petition with the Texas Natural Resource
Conservation
175-22 Commission requesting an inquiry if the petitioner district
adopted
175-23 a resolution calling for joint planning and the other district
or
175-24 districts refused to join in the planning process or the process
175-25 failed to result in adequate planning, and the petition provides
175-26 evidence that:
176-1 (A) another district in the management area
has
176-2 failed to adopt rules;
176-3 (B) the groundwater in the management area is
176-4 not adequately protected by the rules adopted by another
district;
176-5 or
176-6 (C) the groundwater in the management area is
176-7 not adequately protected due to the failure of another district
to
176-8 enforce substantial compliance with its rules.
176-9 (6) The district may contract to jointly conduct
176-10 studies or research, or to construct projects, under terms and
176-11 conditions that the districts consider beneficial with districts
176-12 located within the same management area or in adjacent
management
176-13 areas. These joint efforts may include studies of groundwater
176-14 availability and quality, aquifer modeling, and the interaction
of
176-15 groundwater and surface water; educational programs; the
purchase
176-16 and sharing of equipment; and the implementation of projects to
176-17 make groundwater available, including aquifer recharge, brush
176-18 control, weather modification, desalination, regionalization,
and
176-19 treatment or conveyance facilities. The districts may contract
176-20 under their existing authorizations including those of Chapter
791,
176-21 Government Code, if their contracting authority is not limited
by

176-22 Sections 791.011(c)(2) and (d)(3) and Section 791.014,
Government
176-23 Code.
176-24 (c) The district shall determine biennially, using the
176-25 overall available scientific data of groundwater resources in
the
176-26 Central Carrizo-Wilcox area, whether pumping within the district
or
177-1 an adjacent district is unreasonably affecting groundwater wells.
177-2 The district, in agreement with other districts within the
177-3 designated management area, may adopt mitigation measures in
177-4 response to such unreasonable adverse effects only if the
measures
177-5 are based on a scientific determination made.
177-6 (d) The district may assist in the mediation between
177-7 landowners regarding the mitigation of the loss of existing
177-8 groundwater supply of exempt domestic and livestock users due to
177-9 the groundwater pumping of others in adjoining districts.
177-10 SECTION 3.1509. BOARD OF DIRECTORS. (a) The district is
177-11 governed by a board of nine directors.
177-12 (b) Initial directors serve until permanent directors are
177-13 appointed under Section 3.1510 of this part and qualified as
177-14 required by Subsection (d) of this section.
177-15 (c) Permanent directors serve four-year staggered terms.
177-16 (d) Each director must qualify to serve as a director in
the
177-17 manner provided by Section 36.055, Water Code.
177-18 (e) A director serves until the director's successor has
177-19 qualified.
177-20 (f) A director may serve consecutive terms.
177-21 (g) If there is a vacancy on the board, the governing
body
177-22 of the entity that appointed the director who vacated the office
177-23 shall appoint a director to serve the remainder of the term.
177-24 (h) Directors are not entitled to receive compensation
for
177-25 serving as a director but may be reimbursed for actual,
reasonable
177-26 expenses incurred in the discharge of official duties.
178-1 (i) A majority vote of a quorum is required for board
178-2 action. If there is a tie vote, the proposed action fails.
178-3 SECTION 3.1510. APPOINTMENT OF DIRECTORS. (a) The Leon
178-4 County Commissioners Court shall appoint three directors, of
whom:
178-5 (1) one must represent the interests of rural water
178-6 suppliers or municipalities in the county, or both;
178-7 (2) one must represent agricultural interests in the
178-8 county; and
178-9 (3) one must represent industrial interests in the
178-10 county.
178-11 (b) The Madison County Commissioners Court shall appoint
178-12 three directors, of whom:
178-13 (1) one must represent the interests of rural water
178-14 suppliers or municipalities in the county, or both;

178-15 (2) one must represent agricultural interests in
the
178-16 county; and
178-17 (3) one must represent industrial interests in the
178-18 county.
178-19 (c) The Freestone County Commissioners Court shall
appoint
178-20 three directors, of whom:
178-21 (1) one must represent the interests of rural water
178-22 suppliers or municipalities in the county, or both;
178-23 (2) one must represent agricultural interests in
the
178-24 county; and
178-25 (3) one must represent industrial interests in the
178-26 county.
179-1 (d) Each of the governing bodies authorized by this
section
179-2 to make an appointment shall appoint the appropriate number of
179-3 initial directors as soon as practicable following the effective
179-4 date of this Act, but not later than the 45th day after the
179-5 effective date of this Act.
179-6 (e) The initial directors shall draw lots to determine
their
179-7 terms. A simple majority of the initial directors, if an odd
179-8 number of initial directors are appointed, or half the initial
179-9 directors, if an even number of initial directors are appointed,
179-10 serve terms that expire on January 1 of the fourth year
following
179-11 the confirmation of the district at an election held under
Section
179-12 3.1512 of this part. The remaining initial directors serve
terms
179-13 that expire on January 1 of the second year following the
179-14 confirmation of the district. On January 1 of the second year
179-15 following confirmation of the district and every two years after
179-16 that date, the appropriate commissioners courts shall appoint
the
179-17 appropriate number of permanent directors.
179-18 SECTION 3.1511. ORGANIZATIONAL MEETING. As soon as
179-19 practicable after all the initial directors have been appointed
and
179-20 have qualified as provided by this part, a majority of the
179-21 directors shall convene the organizational meeting of the
district
179-22 at a location within the district agreeable to a majority of the
179-23 directors. If no location can be agreed on, the organizational
179-24 meeting of the directors shall be at the Leon County Courthouse.
179-25 SECTION 3.1512. CONFIRMATION ELECTION. (a) The initial
179-26 board of directors shall call and hold an election on the same
date
180-1 in each county within the district to confirm the creation of the
180-2 district.
180-3 (b) Except as provided by this section, a confirmation

180-4 election must be conducted as provided by Sections 36.017,
36.018,
180-5 and 36.019, Water Code, and Section 41.001, Election Code.
180-6 (c) If the majority of qualified voters in a county who
vote
180-7 in the election vote to confirm the creation of the district,
that
180-8 county is included in the district. If the majority of qualified
180-9 voters in a county who vote in the election vote not to confirm
the
180-10 creation of the district, that county is excluded from the
180-11 district.

180-12 (d) The district is dissolved and this part expires on
180-13 August 31, 2003, unless the voters confirm the creation of the
180-14 district before that date.

180-15 PART 16. NORTHEAST TRAVIS COUNTY UTILITY DISTRICT
180-16 SECTION 3.1601. CREATION. (a) A conservation and
180-17 reclamation district, to be known as the Northeast Travis County
180-18 Utility District, is created in Travis County, subject to
approval
180-19 at a confirmation election under Section 3.1611 of this part.
The
180-20 district is a governmental agency and a body politic and
corporate.

180-21 (b) The district is created under and is essential to
180-22 accomplish the purposes of Section 59, Article XVI, Texas
180-23 Constitution.

180-24 SECTION 3.1602. DEFINITION. In this part, "district"
means
180-25 the Northeast Travis County Utility District.

180-26 SECTION 3.1603. BOUNDARIES. The district includes the
181-1 territory contained within the following areas:

181-2 Tract No. 1, approximately 146.50 acres of land out of the
E.

181-3 Kirkland Survey No. 7, in Travis County, Texas, being all of that
181-4 certain tract conveyed to Kathleen Marie England and Jay Lawrence
181-5 Johnson by Deeds recorded in Volume 11403, Page 374, Volume
11618,
181-6 Page 104, Volume 11861, Page 120 and Volume 12118, Page 195, Real
181-7 Property Records of Travis County, Texas;

181-8 Tract No. 2, approximately 70.31 acres of land out of the
E.

181-9 Kirkland Survey No. 7 in Travis County, Texas, being all of that
181-10 certain tract of land conveyed to Charles E. Baker, et ux, by
Deed

181-11 recorded in Volume 7188, Page 1756, Deed Records of Travis
County,
181-12 Texas;

181-13 Tract No. 3, approximately 104.34 acres of land out of the
181-14 G. M. Martin Survey No. 9, Abstract 529, Travis County, Texas,
181-15 being all of that certain tract called 103.984 acres conveyed to
181-16 Bernice Becker Zreet, Freida Becker Woodland, Edline Becker
181-17 McMains, Adolf Becker, Jr., Wilbert Becker and Edwin F. Zreet
and

181-18 Bernice Zreet, Trustees of The Edwin F. and Bernice Zreet Trust
181-19 dated August 27, 1997, by Deeds recorded in Volume 10215, Page
610,
181-20 Volume 10537, Page 939, and Volume 13171, Page 102, Real
Property
181-21 Records of Travis County, Texas, and all of that certain tract
181-22 called 0.356 of one acre conveyed by Muniment of Title recorded
in
181-23 Document No. 71552 of the Travis County Probate Records;
181-24 Tract No. 4, approximately 103.266 acres of land out of
the
181-25 George M. Martin Survey No. 9, Abstract 529, Travis County,
Texas,
181-26 being all of that certain tract conveyed to Kermit Hees and
wife,
182-1 Lydia Hees by Partition Deed recorded in Volume 11552, Page 475,
182-2 Real Property Records of Travis County, Texas, said 103.266 acre
182-3 tract being the remainder of that tract called 106-1/2 acres
182-4 conveyed to W. A. Randig by Deed recorded in Volume 498, Page
219,
182-5 SAVE AND EXCEPT, that portion deeded to Travis County, Texas for
182-6 highway purposes by Deed recorded in Volume 2268, Page 195, Deed
182-7 Records of Travis County, Texas;
182-8 Tract No. 5, approximately 177.301 acres of land out of the
182-9 G. M. Martin Survey in Travis County, Texas, being all of that
182-10 certain tract of land conveyed to Karolyn P. Graf and Robert L.
182-11 Pfluger, Trustees of the Lawrence and Willie Mae Pfluger Family
182-12 Trust by Deeds recorded in Volume 10431, Page 422, Volume 10555,
182-13 Page 214, and Volume 11091, Page 691, Real Property Records of
182-14 Travis County, Texas;
182-15 Tract No. 6, approximately 107.4 acres of land out of the
182-16 George M. Martin Survey, Abstract No. 9, and being all of that
182-17 certain tract of land conveyed to Robert L. Pfluger and Karolyn
P.
182-18 Graf by Deed recorded in Volume 12947, Page 560 and to Robert L.
182-19 Pfluger, Trustee for Miranda Kimbro and Weston N. Kimbro and
Wayne
182-20 Pfluger, Trustee for Josph L. Pfluger and Lydia Pfluger, by
Deed
182-21 recorded in Volume 12947, Page 562, Real Property Records of
Travis
182-22 County, Texas;
182-23 Tract No. 7, approximately 9.198 acres of land out of the
182-24 G. M. Martin Survey, Abstract No. 9, in Travis County, Texas,
and
182-25 being all of that certain tract of land conveyed to Peggy
Pfluger
182-26 and Robert L. Pfluger by Deed recorded in Volume 13049, Page
1353,
183-1 Real Property Records of Travis County, Texas.
183-2 SECTION 3.1604. FINDINGS RELATIVE TO BOUNDARIES. The
183-3 legislature finds that the boundaries and field notes of the
183-4 district form a closure. A mistake in the field notes or in

183-5 copying the field notes in the legislative process does not
affect
183-6 the organization, existence, or validity of the district, the
right
183-7 of the district to impose taxes, or the legality or operation of
183-8 the district or its governing body.
183-9 SECTION 3.1605. FINDING OF BENEFIT. All of the land and
183-10 other property included within the boundaries of the district
will
183-11 be benefited by the works and projects that are to be
accomplished
183-12 by the district under powers conferred by Section 59, Article
XVI,
183-13 Texas Constitution. The district is created to serve a public
use
183-14 and benefit.
183-15 SECTION 3.1606. GENERAL POWERS. (a) The district has
all
183-16 of the rights, powers, privileges, authority, functions, and
duties
183-17 provided by the general law of this state, including Chapters
30,
183-18 49, and 54, Water Code, applicable to municipal utility
districts
183-19 created under Section 59, Article XVI, Texas Constitution.
183-20 (b) The rights, powers, privileges, authority, functions,
183-21 and duties of the district are subject to the continuing right
of
183-22 supervision of the state to be exercised by and through the
Texas
183-23 Natural Resource Conservation Commission.
183-24 SECTION 3.1607. DIVISION OF DISTRICT. (a) The district
may
183-25 divide into two or more districts as provided by Sections
183-26 51.748-51.753, Water Code, and this section. The proposed
district
184-1 may divide into two or more proposed districts before the
184-2 establishment of the district is confirmed at the confirmation
184-3 election held under Section 3.1611 of this part.
184-4 (b) A district created by division under this section may
184-5 divide into two or more districts after the establishment of the
184-6 district is confirmed at a confirmation election. A proposed
184-7 district created by division under this section may divide into
two
184-8 or more proposed districts before the establishment of the
district
184-9 is confirmed at a confirmation election.
184-10 (c) The district or any district resulting from a
division
184-11 of the district may exercise powers under Chapters 49 and 54,
Water
184-12 Code, to annex or exclude property after a confirmation
election.
184-13 The temporary board of the proposed district or of any proposed

184-14 district resulting from a division of the proposed district may,
184-15 after a hearing, alter the proposed boundaries of the proposed
184-16 district before the temporary board orders a confirmation
election.

184-17 (d) The order creating a district by division under this
184-18 section and Sections 51.748-51.753, Water Code, must give the
184-19 district an appropriate name that does not conflict with the
name
184-20 of any other district. The provisions of Section 51.749(c),
Water
184-21 Code, relating to naming a district, do not apply.

184-22 SECTION 3.1608. ANNEXATION BY MUNICIPALITY. (a) The
184-23 district is a water or sewer district as defined by Section
43.071,
184-24 Local Government Code, for purposes of that section.

184-25 (b) On annexation of the district by a municipality, the
184-26 district is dissolved and the municipality shall assume the
powers,
185-1 authority, functions, duties, and outstanding bonded indebtedness
185-2 of the district.

185-3 (c) A municipality that annexes the district must provide
185-4 full municipal services, as defined by Section 43.056(c), Local
185-5 Government Code, in the district before the expiration of two and
185-6 one-half years after the effective date of the annexation, unless
185-7 certain services cannot reasonably be provided within that period
185-8 and the municipality proposes a schedule for providing those
185-9 services. If the municipality proposes a schedule to extend the
185-10 period for providing certain services, the schedule must provide
185-11 for the provision of full municipal services before the
expiration

185-12 of four and one-half years after the effective date of the
185-13 annexation.

185-14 SECTION 3.1609. BOARD OF DIRECTORS. (a) The district is
185-15 governed by a board of five directors.

185-16 (b) Temporary directors serve until initial directors are
185-17 elected under Section 3.1611 of this part.

185-18 (c) Initial directors serve until permanent directors are
185-19 elected under Section 3.1612 of this part.

185-20 (d) Permanent directors serve staggered four-year terms.

185-21 (e) Each director must qualify to serve as a director in
the

185-22 manner provided by Section 49.055, Water Code.

185-23 (f) A director serves until the director's successor has
185-24 qualified.

185-25 SECTION 3.1610. TEMPORARY DIRECTORS. (a) The temporary
185-26 board of directors consists of:

- 186-1 (1) Chris Fields;
- 186-2 (2) Nate Nickerson;
- 186-3 (3) Seth Spiker;
- 186-4 (4) John Pflugger; and
- 186-5 (5) Steven Thomas.

186-6 (b) The temporary directors are not required to own land
or
186-7 reside in the district.

186-8 (c) The temporary directors shall take the oath of office
186-9 and execute bonds to qualify for holding their offices as soon as
186-10 possible after the effective date of this Act.

186-11 (d) If a temporary director fails to qualify for office,
186-12 the
186-13 temporary directors who have qualified shall appoint a person to
186-14 fill the vacancy. If at any time there are fewer than three
186-15 qualified temporary directors, the Texas Natural Resource
186-16 Conservation Commission shall appoint the necessary number of
186-17 persons to fill all vacancies on the board.

186-17 SECTION 3.1611. CONFIRMATION AND INITIAL DIRECTORS
ELECTION.

186-18 (a) The temporary board of directors shall call and hold an
186-19 election to confirm establishment of the district and to elect
186-20 five
186-21 initial directors as provided by Section 49.102, Water Code.
186-22 The
186-23 board may submit to the voters propositions to authorize the
186-24 issuance of bonds, a maintenance tax, and a tax to make payments
186-25 under a contract.

186-26 (b) Section 41.001(a), Election Code, does not apply to
186-27 an
186-28 election held under this section.

186-29 SECTION 3.1612. ELECTION OF DIRECTORS. (a) On the first
187-1 Saturday in May of the first even-numbered year after the year in
187-2 which the district is authorized to be created at a confirmation
187-3 election, a general election shall be held in the district for
187-4 the
187-5 election of three directors to serve four-year terms and two
187-6 directors to serve two-year terms.

187-7 (b) On the first Saturday in May of each subsequent second
187-8 year following the election, the appropriate number of directors
187-9 shall be elected.

187-10 SECTION 3.1613. FINDINGS RELATING TO PROCEDURAL
187-11 REQUIREMENTS. (a) The proper and legal notice of the intention
187-12 to
187-13 introduce this Act, setting forth the general substance of this
187-14 Act, has been published as provided by law, and the notice and a
187-15 copy of this Act have been furnished to all persons, agencies,
187-16 officials, or entities to which they are required to be
187-17 furnished

187-18 by the constitution and other laws of this state, including the
187-19 governor, who has submitted the notice and Act to the Texas
187-20 Natural
187-21 Resource Conservation Commission.

187-22 (b) The Texas Natural Resource Conservation Commission
187-23 has
187-24 filed its recommendations relating to this Act with the
187-25 governor,
187-26 lieutenant governor, and speaker of the house of representatives
187-27 within the required time.

187-28 (c) All requirements of the constitution and laws of this
187-29 state and the rules and procedures of the legislature with
187-30 respect

187-24 to the notice, introduction, and passage of this Act are
fulfilled
187-25 and accomplished.
187-26 SECTION 3.1614. EFFECTIVE DATE OF THIS PART. This part
188-1 takes effect immediately if this Act receives a vote of two-
thirds
188-2 of all the members elected to each house, as provided by Section
188-3 39, Article III, Texas Constitution. If this Act does not
receive
188-4 the vote necessary for immediate effect, this part takes effect
188-5 September 1, 2001.
188-6 ARTICLE 4. WATER INFRASTRUCTURE FINANCING
188-7 SECTION 4.01. Chapter 15, Water Code, is amended by adding
188-8 Subchapter O to read as follows:
188-9 SUBCHAPTER O. WATER INFRASTRUCTURE FUND
188-10 Sec. 15.901. DEFINITIONS. In this subchapter:
188-11 (1) "Eligible political subdivision" means:
188-12 (A) a municipality;
188-13 (B) a county;
188-14 (C) a river authority or special law
district
188-15 that is listed in Section 9.010(b);
188-16 (D) a water improvement district;
188-17 (E) an irrigation district;
188-18 (F) a water control and improvement
district;
188-19 and
188-20 (G) a groundwater district with a
groundwater
188-21 management plan certified by the board under Section 36.1072.
188-22 (2) "Fund" means the water infrastructure fund.
188-23 (3) "Metropolitan statistical area" means an area
so
188-24 designated by the United States Office of Management and
Budget.
188-25 (4) "Political subdivision bonds" means bonds or
other
188-26 obligations issued by a political subdivision to fund a project
and
189-1 purchased by the board from money in the fund.
189-2 (5) "Project" means any undertaking or work,
including
189-3 planning and design activities and work to obtain regulatory
189-4 authority, to conserve, mitigate, convey, and develop water
189-5 resources of the state, including any undertaking or work done
189-6 outside the state that the board determines will result in
water
189-7 being available for use in or for the benefit of the state.
189-8 Sec. 15.902. FINDINGS. The legislature finds that:
189-9 (1) the creation of the fund and the administration
of
189-10 the fund by the board will encourage the conservation and
189-11 development of the water resources of the state;
189-12 (2) the use of the fund is in furtherance of the

189-13 _public purpose of conserving and developing the water resources
of_
189-14 _the state; and_
189-15 _ (3) the use of the fund for the purposes provided
by_
189-16 _this subchapter is for the benefit of both the state and the_
189-17 _political subdivisions to which the board makes financial_
189-18 _assistance available in accordance with this subchapter and_
189-19 _constitutes a program under, and is in furtherance of the
public_
189-20 _purposes set forth in, Section 52-a, Article III, Texas_
189-21 _Constitution._
189-22 _Sec. 15.903. WATER INFRASTRUCTURE FUND. (a) The water_
189-23 _infrastructure fund is a special account in the general
revenue_
189-24 _fund to be administered by the board under this subchapter and_
189-25 _rules adopted by the board under this subchapter. Money in
the_
189-26 _fund may be used to pay for the implementation of water
projects_
190-1 _recommended through the state and regional water planning
processes_
190-2 _under Sections 16.051 and 16.053._
190-3 _ (b) The fund consists of:_
190-4 _ (1) appropriations from the legislature;_
190-5 _ (2) any other fees or sources of revenue that the_
190-6 _legislature may dedicate for deposit to the fund;_
190-7 _ (3) repayments of loans made from the fund;_
190-8 _ (4) interest earned on money credited to the fund;_
190-9 _ (5) depository interest allocable to the fund in
the_
190-10 _general revenue fund;_
190-11 _ (6) money from gifts, grants, or donations to the_
190-12 _fund;_
190-13 _ (7) money from revenue bonds or other sources_
190-14 _designated by the board; and_
190-15 _ (8) proceeds from the sale of political
subdivision_
190-16 _bonds or obligations held in the fund and not otherwise pledged
to_
190-17 _the discharge, repayment, or redemption of revenue bonds or
other_
190-18 _bonds, the proceeds of which were placed in the fund._
190-19 _Sec. 15.904. USE OF WATER INFRASTRUCTURE FUND. (a)
The_
190-20 _board may use the fund:_
190-21 _ (1) to make loans to political subdivisions at or_
190-22 _below market interest rates for projects;_
190-23 _ (2) to make grants, low-interest loans, or zero_
190-24 _interest loans to political subdivisions for projects to serve_
190-25 _areas outside metropolitan statistical areas in order to
ensure_
190-26 _that the projects are implemented, or for projects to serve_
191-1 _economically distressed areas;_

191-2 _(3) to make loans at or below market interest
rates_
191-3 _for planning and design costs, permitting costs, and other
costs_
191-4 _associated with state or federal regulatory activities with
respect_
191-5 _to a project;_
191-6 _(4) as a source of revenue or security for the
payment_
191-7 _of principal and interest on bonds issued by the board if the_
191-8 _proceeds of the sale of the bonds will be deposited in the_
fund;_
191-9 _and_
191-10 _(5) to pay the necessary and reasonable expenses
of_
191-11 _the board in administering the fund._
191-12 _(b) Funding under Subsection (a) (2) or under Subsection_
191-13 _(a) (3) may not exceed 10 percent of the amount of financial_
191-14 _assistance budgeted by the board to be made available from the
fund_
191-15 _in a fiscal year._
191-16 _(c) Principal and interest payments on loans made under_
191-17 _Subsection (a) (3) may be deferred for a maximum of 10 years or_
191-18 _until construction of the project is completed, whichever is_
191-19 _earlier._
191-20 _Sec. 15.905. APPROVAL OF APPLICATIONS. (a) On review
and_
191-21 _recommendation by the executive administrator, the board by_
191-22 _resolution may approve an application if the board finds that:_
191-23 _(1) the application and the assistance applied_
for_
191-24 _meet the requirements of this subchapter and board rules;_
191-25 _(2) the revenue or taxes, or both the revenue and_
191-26 _taxes, pledged by the applicant will be sufficient to meet all
the_
192-1 _obligations assumed by the political subdivision; and_
192-2 _(3) the project will meet water needs in a manner_
192-3 _consistent with the state and regional water plans as required
by_
192-4 _Section 16.053(j), unless otherwise specified by an act of the_
192-5 _legislature._
192-6 _(b) For an application under this subchapter, a program
of_
192-7 _water conservation through a more effective use of water shall
be_
192-8 _required in the same manner as for approval of an application
for_
192-9 _financial assistance under Section 15.106._
192-10 _(c) The board may deliver funds for the part of a loan
or_
192-11 _grant for a project relating to surface water development,
other_
192-12 _than for planning and design costs, permitting costs, and
other_

192-13 _costs associated with federal and state regulatory activities
with_
192-14 _respect to a project, only if the executive administrator makes
a_
192-15 _written finding that the applicant:_
192-16 _ (1) has the necessary water rights authorizing
the_
192-17 _applicant to appropriate and use the water that the project
will_
192-18 _provide, if the applicant is proposing surface water
development;_
192-19 _or_
192-20 _ (2) has the right to use water that the project
will_
192-21 _provide, if the applicant is proposing groundwater
development._
192-22 _Sec. 15.906. APPLICABLE LAW. Subchapter E, Chapter 17,_
192-23 _applies to financial assistance made available from the fund,_
192-24 _except that the board may also execute contracts as necessary
to_
192-25 _evidence grant agreements._
192-26 _Sec. 15.907. RULES. The board shall adopt rules
necessary_
193-1 _to carry out this subchapter, including rules establishing_
193-2 _procedures for application for and for the award of financial_
193-3 _assistance, for the investment of funds, and for the
administration_
193-4 _of the fund._
193-5 _Sec. 15.908. SALE OF POLITICAL SUBDIVISION BONDS. (a)
The_
193-6 _board may sell or dispose of political subdivision bonds at the_
193-7 _price and under the terms that the board determines to be_
193-8 _reasonable._
193-9 _ (b) The board may sell political subdivision bonds
without_
193-10 _making a previous offer to the political subdivision that
issued_
193-11 _the bonds and without advertising, soliciting, or receiving
bids_
193-12 _for sale._
193-13 _ (c) Notwithstanding other provisions of this chapter,
the_
193-14 _board may sell to the Texas Water Resources Finance Authority
any_
193-15 _political subdivision bonds purchased with money in the fund
and_
193-16 _may apply the proceeds of a sale in the manner provided by
this_
193-17 _section._
193-18 _ (d) Proceeds from the sale of political subdivision
bonds_
193-19 _under this section shall be deposited in the fund for use as_
193-20 _provided by Section 15.904._
193-21 _ (e) As part of a sales agreement with the Texas Water_

193-22 _Resources Finance Authority, the board by contract may agree
to
193-23 _perform the functions required to ensure that the political_
193-24 _subdivision pays the debt service on political subdivision
bonds_
193-25 _sold and observes the conditions and requirements stated in
those_
193-26 _bonds._
194-1 _ (f) The board may exercise any powers necessary to carry
out_
194-2 _the authority granted by this section, including the authority
to_
194-3 _contract with any person to accomplish the purposes of this_
194-4 _section._
194-5 _Sec. 15.909. FUNDING FOR LOCAL ECONOMIC DEVELOPMENT._
194-6 _ (a) The board may use the fund to provide financial assistance
to_
194-7 _an eligible political subdivision to enable the political_
194-8 _subdivision to fund loans and grants for projects that conserve
and_
194-9 _develop the water resources of the political subdivision for
the_
194-10 _ultimate benefit of the public, and that develop and diversify
its_
194-11 _local economy, consistent with the terms and conditions set
forth_
194-12 _in a program adopted by the governing body of the political_
194-13 _subdivision under authority granted by Section 15.910._
194-14 _ (b) The board may not purchase political subdivision
bonds_
194-15 _issued for the purposes described by Subsection (a) that are_
194-16 _secured in whole or in part by a pledge of ad valorem taxes
unless_
194-17 _the political subdivision submits evidence satisfactory to the_
194-18 _board that the issuance of the bonds has been approved by the_
194-19 _citizens of the political subdivision voting at an election
held_
194-20 _for the purposes described in Section 15.910._
194-21 _Sec. 15.910. AUTHORITY TO ESTABLISH ECONOMIC
DEVELOPMENT_
194-22 _PROGRAMS. (a) An eligible political subdivision may
establish_
194-23 _economic development programs and make loans and grants of
public_
194-24 _funds to assist in providing projects within the political_
194-25 _subdivision that conserve and develop the water resources of
the_
194-26 _political subdivision for the ultimate benefit of the public.
The_
195-1 _authority granted to a political subdivision to make loans and_
195-2 _grants in accordance with this section constitutes a program in_
195-3 _furtherance of the public purposes provided by Section 52-a,_
195-4 _Article III, Texas Constitution._

195-5 _(b) Financial assistance received from the fund may be
used
195-6 _by an eligible political subdivision to make loans or grants to_
195-7 _persons for projects that the political subdivision finds will_
195-8 _conserve and develop the water resources of the political_
195-9 _subdivision for the ultimate benefit of the public and assist
in_
195-10 _diversifying and developing the economy of the political_
195-11 _subdivision and the state._
195-12 _(c) In exercising the authority granted by this section,
the_
195-13 _governing body of an eligible political subdivision may
determine_
195-14 _the terms and conditions governing the loan or grant of money
and_
195-15 _determine whether to approve an agreement with a person who_
195-16 _receives a loan or grant._
195-17 _Sec. 15.911. An eligible political subdivision may not
sell_
195-18 _or incur obligations to fund an economic development program_
195-19 _established under authority granted by Section 15.910 that are_
195-20 _payable in whole or in part from ad valorem taxes unless the_
195-21 _residents of the political subdivision, voting at an election
held_
195-22 _for the purpose, approve the issuance of obligations to fund
an_
195-23 _economic development program for the provision of loans or
grants_
195-24 _to persons to construct projects that will conserve and develop
the_
195-25 _water resources of the political subdivision for the ultimate_
195-26 _benefit of the public and assist in developing and diversifying
the_
196-1 _local economy._
196-2 SECTION 4.02. Chapter 15, Water Code, is amended by adding
196-3 Subchapter P to read as follows:
196-4 SUBCHAPTER P. RURAL WATER ASSISTANCE FUND_
196-5 _Sec. 15.951. PURPOSE. The legislature finds that the
rural_
196-6 _areas of the state, characterized by small populations extended_
196-7 _over disproportionately large service areas, require a means of_
196-8 _financing water projects in addition to those established by_
other_
196-9 _provisions of this chapter._
196-10 _Sec. 15.952. DEFINITIONS. In this subchapter:_
196-11 _(1) "District" means a conservation or
reclamation_
196-12 _district created under Section 52, Article III, or Section 59,_
196-13 _Article XVI, Texas Constitution._
196-14 _(2) "Federal agency" means an agency or other
entity_
196-15 _of the United States Department of Agriculture or an agency or_
196-16 _entity that is acting through or on behalf of that department._
196-17 _(3) "Fund" means the rural water assistance fund._

196-18 _(4) "Rural political subdivision" means:_
196-19 _(A) a nonprofit water supply or sewer
service_
196-20 corporation, district, or municipality with a service area of_
196-21 10,000 or less in population or that otherwise qualifies for_
196-22 financing from a federal agency; or_
196-23 _(B) a county in which no urban area exceeds_
196-24 50,000 in population._
196-25 _(5) "State agency" means an agency or other entity
of_
196-26 the state, including the Department of Agriculture and the
Texas_
197-1 Department of Housing and Community Affairs and any agency or_
197-2 authority that is acting through or on behalf of the Department
of_
197-3 Agriculture or the Texas Department of Housing and Community_
197-4 Affairs._
197-5 Sec. 15.953. FUND. The rural water assistance fund is a_
197-6 special account in the general revenue fund. The fund consists
of:_
197-7 _(1) money directly appropriated to the board;_
197-8 _(2) repayment of principal and interest from loans_
197-9 made from the fund not otherwise needed as a source of revenue_
197-10 pursuant to Section 17.9615(b);_
197-11 _(3) money transferred by the board from any
sources_
197-12 available; and_
197-13 _(4) interest earned on the investment of money in
the_
197-14 fund and depository interest allocable to the fund in the
general_
197-15 revenue fund._
197-16 Sec. 15.954. USE OF FUND. (a) The fund may be used to_
197-17 provide low-interest loans to rural political subdivisions for_
197-18 water or water-related projects, including the purchase of
well_
197-19 fields, the purchase or lease of rights to produce groundwater,
and_
197-20 interim financing of construction projects._
197-21 _(b) The fund may be used to enable a rural political_
197-22 subdivision to obtain water supplied by larger political_
197-23 subdivisions or to finance the consolidation or regionalizing
of_
197-24 neighboring political subdivisions, or both._
197-25 _(c) The fund may be used to finance an outreach and_
197-26 technical assistance program to assist rural political
subdivisions_
198-1 in obtaining assistance through the fund. The board may use
money_
198-2 in the fund to contract for such outreach and technical
assistance._
198-3 _(d) The fund may be used to buy down interest rates on_
198-4 loans._
198-5 _(e) A rural political subdivision may enter into an_

198-6 _agreement with a federal agency or a state agency to submit a
joint_
198-7 _application for financial assistance under this subchapter._
198-8 _ (f) A nonprofit water supply or sewer service corporation
is_
198-9 _exempt from payment of any sales tax that may be incurred under_
198-10 _other law or ordinance for any project financed by the fund._
198-11 _ (g) The fund may be used as a source of revenue for the_
198-12 _payment of principal and interest on water financial
assistance_
198-13 _bonds issued by the board if the proceeds of the sale of these_
198-14 _bonds will be deposited into the rural water assistance fund._
198-15 _Sec. 15.955. FINANCIAL ASSISTANCE. (a) The board
shall_
198-16 _adopt rules necessary to administer this subchapter, including_
198-17 _rules establishing procedures for the application for and award
of_
198-18 _loans, the distribution of loans, the investment of funds, and
the_
198-19 _administration of loans and the fund._
198-20 _ (b) The board may not release from the fund money for
the_
198-21 _construction phase of parts of projects proposing surface water
or_
198-22 _groundwater development until the executive administrator makes
a_
198-23 _written finding that a rural political subdivision:_
198-24 _ (1) has the necessary water right authorizing it
to_
198-25 _appropriate and use the water that the project will provide, if
the_
198-26 _rural political subdivision is proposing surface water
development;_
199-1 _or_
199-2 _ (2) has the right to use water that the project
will_
199-3 _provide, if the rural political subdivision is proposing_
199-4 _groundwater development._
199-5 _ (c) In passing on an application from a rural political_
199-6 _subdivision for financial assistance, the board shall consider:_
199-7 _ (1) the needs of the area to be served by the
project,_
199-8 _the benefit of the project to the area, the relationship of the_
199-9 _project to the overall state water needs, and the relationship
of_
199-10 _the project to the state water plan; and_
199-11 _ (2) the availability of revenue to the rural
political_
199-12 _subdivision from all sources for the ultimate repayment of the
cost_
199-13 _of the water supply project, including all interest._
199-14 _ (d) The board by resolution may approve an application
if, _

199-15 _after considering the factors listed in Subsection (c) and
other_
199-16 _relevant factors, the board finds that:_
199-17 _ (1) the public interest is served by state
assistance_
199-18 _for the project; and_
199-19 _ (2) the revenue or taxes pledged by the rural_
199-20 _political subdivision will be sufficient to meet all the_
199-21 _obligations assumed by the rural political subdivision during
the_
199-22 _succeeding period of not more than 50 years._
199-23 _ (e) A program of water conservation for the more
efficient_
199-24 _use of water shall be required in the same manner as is
required_
199-25 _for approval of an application for financial assistance under_
199-26 _Section 15.106._
200-1 _ (f) Sections 17.183-17.187 apply to the construction of_
200-2 _projects funded pursuant to this subchapter._
200-3 SECTION 4.03. Subsection (j), Section 5.235, Water Code,
is
200-4 amended to read as follows:
200-5 (j) The fee for other uses of water not specifically named
200-6 in this section is \$1 per acre-foot, except that no political
200-7 subdivision may be required to pay fees to use water for recharge
200-8 of underground freshwater-bearing sands and aquifers or for
200-9 abatement of natural pollution. _This fee is waived for_
200-10 _applications for instream-use water rights deposited into the
Texas_
200-11 _Water Trust._
200-12 SECTION 4.04. Section 15.001, Water Code, is amended by
200-13 adding Subdivision (12) to read as follows:
200-14 _ (12) "Regionalization" means development of a
water_
200-15 _supply or wastewater collection and treatment system that_
200-16 _incorporates multiple service areas into an areawide service_
200-17 _facility or any such system that serves an area that includes
more_
200-18 _than a single county, city, special district, or other
political_
200-19 _subdivision of the state._
200-20 SECTION 4.05. Subsection (a), Section 15.002, Water Code,
is
200-21 amended to read as follows:
200-22 (a) The legislature finds that it is in the public
interest
200-23 and to the benefit of the general public of the state to
encourage
200-24 and to assist in the planning and construction of projects to
200-25 develop and conserve the storm water and floodwater as well as
the
200-26 ordinary flows of the rivers and streams of the state, to
maintain
201-1 and enhance the quality of the water of the state, to provide

201-2 protection to the state's citizens from the floodwater of the
201-3 rivers and streams of the state, to provide drainage, subsidence
201-4 control, public beach nourishment, recharge, chloride control,
201-5 brush control, weather modification, regionalization, and
201-6 desalination [desalinization], to provide for the management of
201-7 aquatic vegetation, and other purposes as provided by law or
board
201-8 rule.

201-9 SECTION 4.06. Subsection (b), Section 15.011, Water Code,
is

201-10 amended to read as follows:

201-11 (b) After notice and hearing and subject to any
limitations

201-12 established by the General Appropriations Act, the board may
201-13 transfer money from the fund to the loan fund created under
201-14 Subchapter C [of this chapter], the storage acquisition fund
201-15 created under Subchapter E [of this chapter], the research and
201-16 planning fund created under Subchapter F [of this chapter], the
201-17 hydrographic survey account created under Subchapter M [of this
201-18 chapter], provided the hydrographic survey account transfer does
201-19 not exceed \$425,000, [and] the aquatic vegetation management
fund
201-20 created under Subchapter N, and the rural water assistance
fund
201-21 created under Subchapter P [of this chapter].

201-22 SECTION 4.07. Subsections (a) and (b), Section 15.102,
Water

201-23 Code, are amended to read as follows:

201-24 (a) The loan fund may be used by the board to provide
loans

201-25 of financial assistance to political subdivisions, federal
201-26 agencies, or both political subdivisions and federal agencies
202-1 acting jointly for the construction, acquisition, improvement, or
202-2 enlargement of projects involving water conservation, water
202-3 development, or water quality enhancement, providing
nonstructural

202-4 and structural flood control, or drainage, project recreation
lands

202-5 and revenue-generating recreational improvements within any
202-6 watershed, or providing recharge, chloride control, subsidence
202-7 control, brush control, weather modification, regionalization,

or
202-8 desalination [desalinization] as provided by legislative
202-9 appropriations, this chapter, and the board rules.

202-10 (b) The loan fund may also be used by the board to
provide

202-11 grants for:

202-12 (1) projects that include supplying water and
202-13 wastewater services in economically distressed areas, including
202-14 projects involving retail distribution of those services; and

202-15 (2) desalination, brush control, weather
modification,

202-16 regionalization, and projects providing regional water quality

202-17 _enhancement services as defined by board rule, including
regional_
202-18 _conveyance systems_.
202-19 SECTION 4.08. Section 15.105, Water Code, is amended to
read
202-20 as follows:
202-21 Sec. 15.105. CONSIDERATIONS IN PASSING ON APPLICATION.
202-22 _ (a) _ In passing on an application for financial assistance
from the
202-23 loan fund, the board shall consider but is not limited to:
202-24 (1) the needs of the area to be served by the
project
202-25 and the benefit of the project to the area in relation to the
needs
202-26 of other areas requiring state assistance in any manner and the
203-1 benefits of those projects to the other areas;
203-2 (2) the availability of revenue to the applicant
from
203-3 all sources for the ultimate repayment of the cost of the
project,
203-4 including all interest;
203-5 (3) the relationship of the project to overall
203-6 statewide needs;
203-7 (4) the ability of the applicant to finance the
203-8 project without state assistance; [and]
203-9 (5) for applications for grants for economically
203-10 distressed areas, the regulatory efforts by the county in which
the
203-11 project is located to control the construction of subdivisions
that
203-12 lack basic utility services; and_
203-13 _ (6) for applications for grants under Section_
203-14 _15.102(b)(2), the ability of the applicant to construct the
project_
203-15 _without the grant and the benefits of the project to water and_
203-16 _wastewater needs of the state._
203-17 _ (b) The board by rule shall further define eligibility
for_
203-18 _grants under this subchapter_.
203-19 SECTION 4.09. Subsection (a), Section 15.106, Water Code,
is
203-20 amended to read as follows:
203-21 (a) The board, by resolution, may approve an application
for
203-22 _financial assistance_ [a loan] if after considering the factors
203-23 listed in Section 15.105 of this code and any other relevant
203-24 factors, the board finds:
203-25 (1) that the public interest requires state
203-26 participation in the project; and
204-1 (2) that in its opinion the revenue or taxes pledged
204-2 by the political subdivision will be sufficient to meet all the
204-3 obligations assumed by the political subdivision.
204-4 SECTION 4.10. Section 15.107, Water Code, is amended to
read

204-5 as follows:
204-6 Sec. 15.107. METHOD OF MAKING [LOANS OF] FINANCIAL
204-7 ASSISTANCE AVAILABLE. (a) The board may make financial
assistance
204-8 available to successful applicants in any manner that it
considers
204-9 economically feasible including:
204-10 (1) contracts or agreements with a political
204-11 subdivision for the payment of the principal of or interest on
or
204-12 both the principal of and interest on bonds or other obligations
204-13 issued or to be issued by the political subdivision;
204-14 (2) contracts or agreements with a political
204-15 subdivision for the purpose of providing the political
204-16 subdivision's share of any cost-sharing required as a
participant
204-17 in or local sponsor of any federal project; [or]
204-18 (3) purchase of the bonds or other obligations of a
204-19 political subdivision for the purpose of completely or partially
204-20 financing the project for which the application is being
submitted;_
204-21 or
204-22 (4) contracts or agreements for the receipt of
funds
204-23 and performance of obligations in relation to any grant of
funds
204-24 provided by the board.
204-25 (b) Contracts or agreements entered into under
Subdivision
204-26 (1) of Subsection (a) of this section may cover all or any part
of
205-1 the debt service requirements in a given year and may cover debt
205-2 service requirements in as many years of an issue as the board
205-3 considers appropriate.
205-4 (c) In a determination on a loan for financial assistance,
205-5 the board may approve interest deferral or the capitalization of
205-6 interest costs and may approve periods of repayment for the loans
205-7 of up to 50 years.
205-8 SECTION 4.11. Section 15.434, Water Code, is amended to
read
205-9 as follows:
205-10 Sec. 15.434. USE OF MONEY IN FUND. Money deposited to
the
205-11 credit of the agricultural soil and water conservation fund, on
205-12 appropriation by the legislature to the board, the Department of
205-13 Agriculture, the State Soil and Water Conservation Board, the
Texas
205-14 Agricultural Experiment Station, the Texas Agricultural
Extension
205-15 Service, public colleges and universities, and other state
agencies
205-16 shall be used for the following purposes:
205-17 (1) agricultural water conservation technical
205-18 assistance programs;

205-19 (2) agricultural water conservation, education, and
205-20 demonstration programs;
205-21 (3) purchase of equipment, including demonstration
and
205-22 educational equipment;
205-23 (4) grants made to groundwater [underground
water]
205-24 conservation districts and political subdivisions for the
purchase
205-25 of equipment under programs established by Subchapter H of this
205-26 chapter;
206-1 (5) research in water utilization and conservation
206-2 including artificial recharge and secondary recovery of
groundwater
206-3 [underground water];
206-4 (6) desalination [desalinization];
206-5 (7) weather modification;
206-6 (8) technical assistance programs for developing
206-7 on-farm soil and water conservation plans developed jointly by
206-8 landowners and operators and local soil and water conservation
206-9 districts, as provided by Subchapter H, Chapter 201, Agriculture
206-10 Code;
206-11 (9) research and demonstration relating to the
206-12 production of native and low-water-use plants and water-
efficient
206-13 crops;
206-14 (10) a pilot program for low-interest loans for the
206-15 purchase of agricultural water conservation systems established
by
206-16 Subchapter I of this chapter; [and]
206-17 (11) research, demonstration, and education
relating
206-18 to brush control; and
206-19 (12) regionalization designed to promote
agricultural
206-20 water conservation.
206-21 SECTION 4.12. Section 15.471, Water Code, is amended to
read
206-22 as follows:
206-23 Sec. 15.471. GRANTS; PURPOSES. The board may make grants
of
206-24 money to groundwater [underground water] conservation
districts, to
206-25 political subdivisions, and to other districts created under
206-26 Article III, Sections 52(b)(1) and (2), or Article XVI, Section
59,
207-1 of the Texas Constitution for purchasing equipment required for:
207-2 (1) measurement and evaluation of irrigation systems
207-3 and agricultural water conservation practices on irrigated land,
207-4 dryland, and rangeland;
207-5 (2) demonstration of efficient irrigation systems
and
207-6 agricultural water conservation practices on irrigated land,
207-7 dryland, and rangeland;

207-8 (3) testing and evaluation of water quality and the
207-9 suitability of water from groundwater or surface water resources
207-10 for irrigation, rural domestic use, livestock, or agricultural
207-11 industry use;

207-12 (4) demonstration of efficient or sound chemical
207-13 application and evaluation or demonstration of systems which
207-14 will

207-14 prevent contamination of groundwater and surface water from
207-15 chemicals and other substances used in agriculture; or

207-16 (5) measurement and data collection related to
207-17 the
207-17 conservation of groundwater resources.

207-18 SECTION 4.13. Section 15.602, Water Code, is amended by
207-19 adding a new Subdivision (8) and redesignating existing
207-20 Subdivisions (8) through (14) as Subdivisions (9) through (15)
207-21 to

207-21 read as follows:

207-22 (8) "Person" means an individual, corporation,
207-23 partnership, association, state, municipality, commission, or
207-24 political subdivision of a state or any interstate body, as
207-25 defined

207-25 by Section 502 of the federal act, including a political
207-26 subdivision as defined by this subchapter, if the person is
208-1 eligible for financial assistance under federal law
208-2 establishing

208-2 the revolving fund.

208-3 (9) "Political subdivision" means a municipality,
208-4 intermunicipal, interstate, or state agency, any other public
208-5 entity eligible for assistance under this subchapter, or a
208-6 nonprofit water supply corporation created and operating under
208-7 Chapter 67, if such entity is eligible for financial assistance
208-8 under federal law establishing the state revolving fund or an
208-9 additional state revolving fund.

208-10 (10) [(9)] "Public water system" means a system
208-11 that
208-11 is owned by any person and that meets the definition of public
208-12 water system in the Safe Drinking Water Act.

208-13 (11) [(10)] "Public works" means any project to
208-14 acquire, construct, improve, repair, or otherwise provide any
208-15 buildings, structures, facilities, equipment, or other real or
208-16 personal property or improvements designed for public use,
208-17 protection, or enjoyment undertaken by a political subdivision
208-18 and
208-18 paid for, in whole or in part, out of public funds.

208-19 (12) [(11)] "Revolving fund" means the state
208-20 water
208-20 pollution control revolving fund.

208-21 (13) [(12)] "Safe Drinking Water Act" means Title
208-22 XIV

208-22 of the federal Public Health Service Act, commonly known as the
208-23 Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et
208-24 seq.).

208-25 (14) [(13)] "Safe drinking water revolving fund"
208-26 means

208-26 the fund established by the board as an additional state revolving
209-1 fund to provide financial assistance in accordance with the federal
209-2 program established pursuant to the provisions of the Safe Drinking
209-3 Water Act.
209-4 (15) [(14)] "Treatment works" has the meaning
209-5 established by the federal act and the eligible components of the
209-6 management programs established by Sections 319 and 320 of the
209-7 federal act.
209-8 SECTION 4.14. Subsection (a), Section 15.603, Water Code,
is
209-9 amended to read as follows:
209-10 (a) The revolving fund is held separately from other
funds
209-11 by the board outside the State Treasury to provide financial
209-12 assistance to political subdivisions for construction of
treatment
209-13 works and to persons for nonpoint source pollution control and
209-14 estuary management projects.
209-15 SECTION 4.15. Subsection (a), Section 15.604, Water Code,
is
209-16 amended to read as follows:
209-17 (a) The board may use the revolving fund for financial
209-18 assistance only as provided by the federal act:
209-19 (1) to make loans, on the conditions that:
209-20 (A) those loans are made at or below market
209-21 interest rates, including interest-free loans, at terms not to
209-22 exceed 20 years;
209-23 (B) principal and interest payments will
begin
209-24 not later than one year after completion of any treatment works
and
209-25 all loans will be fully amortized not later than 20 years after
209-26 completion of the treatment works;
210-1 (C) the recipient of a loan will establish a
210-2 dedicated source of revenue for repayment of loans; and
210-3 (D) the revolving fund will be credited with
all
210-4 payments of principal of and interest on all loans;
210-5 (2) to buy or refinance the debt obligation of
210-6 political subdivisions at or below market rates if the debt
210-7 obligations were incurred after March 7, 1985;
210-8 (3) to guarantee or purchase insurance for political
210-9 subdivisions if the guarantee or insurance would improve access
to
210-10 market credit or reduce interest rates;
210-11 (4) as a source of revenue or security for the
payment
210-12 of principal and interest on bonds issued by the state if the
210-13 proceeds of the sale of those bonds will be deposited in the
210-14 revolving fund;
210-15 (5) to provide loan guarantees to similar revolving

210-16 funds established by municipalities or intermunicipal agencies;
210-17 (6) to earn interest on revolving fund accounts;
210-18 (7) for the reasonable costs of administering the
210-19 revolving fund and conducting activities provided for by Title
VI
210-20 of the federal act, except that those amounts may not exceed the
210-21 amount authorized under Title VI of the federal act; [and]
210-22 (8) to provide financial assistance to persons for
a
210-23 nonpoint source pollution control project under Section 319 of
the
210-24 federal act or for an estuary management project under Section
320
210-25 of the federal act; and
210-26 (9) for other purposes as provided by the federal
act.

211-1 SECTION 4.16. Section 15.607, Water Code, is amended to
read

211-2 as follows:

211-3 Sec. 15.607. APPROVAL OF APPLICATION. On review of
211-4 recommendations by the executive administrator, the board by
211-5 resolution may approve an application if the board finds that in
211-6 its opinion the revenue or taxes or both revenue and taxes
pledged
211-7 by the applicant will be sufficient to meet all the obligations
211-8 assumed by the applicant [political subdivision] and that the
211-9 application and assistance applied for meet the requirements of
the
211-10 federal act and state law. A program of water conservation for
the
211-11 more effective use of water shall be required in the same manner
as
211-12 required for approval of an application for financial assistance
211-13 under Section 15.106 of this code.

211-14 SECTION 4.17. Subchapter C, Chapter 16, Water Code, is
211-15 amended by adding Section 16.059 to read as follows:

211-16 Sec. 16.059. COLLECTION OF INSTREAM FLOW DATA; CONDUCT
OF

211-17 STUDIES. (a) The Parks and Wildlife Department, the
commission,

211-18 and the board, in cooperation with other appropriate
governmental

211-19 agencies, shall jointly establish and continuously maintain an
211-20 instream flow data collection and evaluation program and shall
211-21 conduct studies and analyses to determine appropriate
methodologies

211-22 for determining flow conditions in the state's rivers and
streams

211-23 necessary to support a sound ecological environment. Any
stream

211-24 that consists only of floodwaters and is dry more than 75
percent

211-25 of the year is exempt from this section.

211-26 _(b) The Parks and Wildlife Department, the commission,
and
212-1 _the board shall each designate an employee to share equally in
the
212-2 _oversight of the program studies. Other responsibilities shall
be
212-3 _divided between the Parks and Wildlife Department, the
commission,
212-4 _and the board to maximize present in-house capabilities of
212-5 _personnel and equipment and to minimize costs to the state.
212-6 _(c) The Parks and Wildlife Department, the commission,
and
212-7 _the board shall each have reasonable access to all data,
studies,
212-8 _analyses, information, and reports produced by the other
agencies.
212-9 _(d) The priority studies shall be completed not later
than
212-10 _December 31, 2010. The Parks and Wildlife Department, the
212-11 _commission, and the board shall establish a work plan that
212-12 _prioritizes the studies and that sets interim deadlines
providing
212-13 _for publication of flow determinations for individual rivers
and
212-14 _streams on a reasonably consistent basis throughout the
prescribed
212-15 _study period. Before publication, completed studies shall be
212-16 _submitted for comment to the commission, the board, and the
Parks
212-17 _and Wildlife Department.
212-18 _(e) Results of studies completed under this section
shall be
212-19 _considered by the commission in its review of any management
plan,
212-20 _water right, or interbasin transfer.
212-21 _(f) The board may authorize the use of money from the
212-22 _research and planning fund established under Chapter 15 to
212-23 _accomplish the purposes of this section. The money shall be
used
212-24 _by the board in cooperation with the commission and the Parks
and
212-25 _Wildlife Department for interagency contracts with cooperating
212-26 _agencies and universities and contracts with private sector
213-1 _establishments, as necessary, to accomplish the purposes of
this
213-2 _section.
213-3 SECTION 4.18. Subsection (c), Section 17.853, Water Code,
is
213-4 amended to read as follows:
213-5 (c) The board may use the fund only:
213-6 (1) to provide state matching funds for federal
funds
213-7 provided to the state water pollution control revolving fund or
to

213-8 any additional state revolving fund created under Subchapter J,
213-9 Chapter 15;
213-10 (2) to provide financial assistance from the
proceeds
213-11 of taxable bond issues to water supply corporations organized
under
213-12 Chapter 67, and other participants;
213-13 (3) to provide financial assistance to participants
213-14 for the construction of water supply projects and treatment
works;
213-15 (4) to provide financial assistance for an interim
213-16 construction period to participants for projects for which the
213-17 board will provide long-term financing through the water
213-18 development fund; [and]
213-19 (5) to provide financial assistance for water
supply
213-20 and sewer service projects in economically distressed areas as
213-21 provided by Subchapter K, Chapter 17, to the extent the board
can
213-22 make that assistance without adversely affecting the current or
213-23 future integrity of the fund or of any other financial
assistance
213-24 program of the board; and
213-25 (6) to provide funds to the water infrastructure
fund
213-26 created under Section 15.903.
214-1 SECTION 4.19. Subdivisions (2) and (6), Section 17.871,
214-2 Water Code, are amended to read as follows:
214-3 (2) "Borrower district" means a political
subdivision,
214-4 including a district or authority created under Article III,
214-5 Sections 52(b)(1) and (2), or Article XVI, Section 59, of the
Texas
214-6 Constitution, that receives or is eligible to receive a
214-7 conservation loan from the board for a purpose described by
Section
214-8 17.895 or 17.8955 [improvement to district facilities].
214-9 (6) "Lender district" means a political
subdivision,
214-10 including a soil and water conservation district under Chapter
201,
214-11 Agriculture Code, a groundwater [an underground water]
conservation
214-12 district created under Article XVI, Section 59, of the Texas
214-13 Constitution, or a district or authority created under Article
III,
214-14 Section 52(b)(1), or Article XVI, Section 59, of the Texas
214-15 Constitution authorized to supply water for irrigation purposes,
214-16 that is eligible to receive or that receives a loan from the
board
214-17 for the purpose of making conservation loans to individual
214-18 borrowers.
214-19 SECTION 4.20. Section 17.895, Water Code, is amended to
read

214-20 as follows:
214-21 Sec. 17.895. CONSERVATION LOANS. (a) This section
214-22 applies
214-23 only to a conservation loan from a lender district that is:
214-24 (1) a soil and water conservation district under
214-25 Chapter 201, Agriculture Code;
214-26 (2) a groundwater conservation district created
214-27 under
214-28 Section 59, Article XVI, Texas Constitution; or
215-1 (3) a district or authority created under Section
215-2 52(b)(1), Article III, or Section 59, Article XVI, Texas
215-3 Constitution.
215-4 (b) The board or a lender district [districts] may
215-5 make
215-6 conservation loans for capital equipment or materials, labor,
215-7 preparation costs, and installation costs:
215-8 (1) to improve water use efficiency of water
215-9 delivery
215-10 and application on existing irrigation systems;
215-11 (2) for preparing irrigated land to be converted to
215-12 dryland conditions; and
215-13 (3) for preparing dryland for more efficient use of
215-14 natural precipitation[;]
215-15 [(4) for preparing and maintaining land to be used
215-16 for
215-17 brush control activities, including but not limited to
215-18 activities
215-19 conducted pursuant to Chapter 203, Agriculture Code; or]
215-20 [(5) for implementing precipitation enhancement
215-21 activities in areas of the state where such activities would be,
215-22 in
215-23 the board's judgment, most effective].
215-24 (c) [(b)] Conservation loans for the purposes listed in
215-25 Subsection (b) [(a)] may be made by lender districts to
215-26 individual
215-27 borrowers for use on private property or by the board to
215-28 borrower
215-29 districts [for use on district facilities].
215-30 (d) [(c)] The board may make conservation loans to
215-31 borrower
215-32 districts for the cost of purchasing and installing devices, on
215-33 public or private property, designed to indicate the amount of
215-34 water withdrawn for irrigation purposes.
216-1 (e) [(d)] For purposes of this section, the board or
216-2 lender
216-3 districts may seek the advice of the Department of Agriculture
216-4 regarding the feasibility of a project for which a conservation
216-5 loan is sought.
216-6 SECTION 4.21. Subchapter J, Chapter 17, Water Code, is
216-7 amended by adding Section 17.8955 to read as follows:
216-8 Sec. 17.8955. CONSERVATION LOANS FOR BRUSH CONTROL AND
216-9 PRECIPITATION ENHANCEMENT. (a) The board or a lender district
216-10 may

216-9 _make a conservation loan for capital equipment or materials,
labor, _
216-10 _preparation costs, and installation costs for:_
216-11 _ (1) preparing and maintaining land to be used for_
216-12 _brush control activities, including activities conducted under_
216-13 _Chapter 203, Agriculture Code; or_
216-14 _ (2) implementing precipitation enhancement
activities_
216-15 _in areas of the state where those activities would be, in the_
216-16 _board's judgment, most effective._
216-17 _ (b) A conservation loan for a purpose listed in
Subsection_
216-18 _ (a) may be made by a lender district to an individual borrower
for_
216-19 _use on private property or by the board to a borrower
district._
216-20 SECTION 4.22. Subchapter L, Chapter 17, Water Code, is
216-21 amended by adding Section 17.9615 to read as follows:
216-22 _Sec. 17.9615. TRANSFERS TO RURAL WATER ASSISTANCE FUND._
216-23 _ (a) The board may direct the comptroller to transfer amounts_
216-24 _from_
216-25 _the financial assistance account to the rural water assistance
fund_
216-26 _to provide financial assistance under this subchapter for the_
217-1 _purposes provided in Section 15.954._
217-2 _ (b) The board shall use the rural water assistance fund
as a_
217-3 _source of revenue to be deposited in accordance with this_
217-4 _subchapter for the payment of principal and interest on water_
217-5 _financial assistance bonds issued by the board, the proceeds of_
217-6 _which are to be deposited into the rural water assistance fund
and_
217-7 _to be used to make payments under a bond enhancement agreement
with_
217-8 _respect to principal or interest on the water financial
assistance_
217-9 _bonds._
217-10 SECTION 4.23. Subchapter L, Chapter 17, Water Code, is
217-11 amended by adding Section 17.9616 to read as follows:
217-12 _Sec. 17.9616. TRANSFER TO WATER INFRASTRUCTURE FUND._
217-13 _ (a) The board may direct the comptroller to transfer amounts_
217-14 _from_
217-15 _the financial assistance account to the water infrastructure
fund_
217-16 _to provide financial assistance under this subchapter for the_
217-17 _purposes provided in Section 15.904._
217-18 _ (b) The board shall use the water infrastructure fund as
a_
217-19 _source of revenue to be deposited in accordance with this_
217-20 _subchapter for the payment of principal and interest on water_
of_
217-21 _financial assistance bonds issued by the board, the proceeds
of_
217-22 _which are to be deposited into the water infrastructure fund
and to_

217-21 _be used to make payments under a bond enhancement agreement
with_
217-22 _respect to principal or interest on the water financial
assistance_
217-23 _bonds._
217-24 SECTION 4.24. Section 11.32, Tax Code, is amended to read
as
217-25 follows:
217-26 Sec. 11.32. CERTAIN WATER CONSERVATION INITIATIVES. The
218-1 governing body of a taxing unit by official action of the
governing
218-2 body adopted in the manner required by law for official actions
may
218-3 exempt from taxation part or all of the assessed value of
property
218-4 on which approved water conservation initiatives_, desalination_
218-5 _projects, or brush control initiatives_ have been implemented.
For
218-6 purposes of this section, approved water conservation_,_
218-7 _desalination, and brush control_ initiatives shall be designated
218-8 pursuant to an ordinance or other law adopted by the governing
218-9 unit.
218-10 SECTION 4.25. Subchapter H, Chapter 151, Tax Code, is
218-11 amended by adding Section 151.355 to read as follows:
218-12 _Sec. 151.355. WATER-RELATED EXEMPTIONS. The following
are_
218-13 _exempted from taxes imposed by this chapter:_
218-14 _ (1) rainwater harvesting equipment or supplies,
water_
218-15 _recycling and reuse equipment or supplies, or other equipment,_
218-16 _services, or supplies used to reduce or eliminate water use;_
218-17 _ (2) equipment, services, or supplies used for_
218-18 _desalination of surface water or groundwater;_
218-19 _ (3) equipment, services, or supplies used for
brush_
218-20 _control designed to enhance the availability of water;_
218-21 _ (4) equipment, services, or supplies used for_
218-22 _precipitation enhancement;_
218-23 _ (5) equipment, services, or supplies used to
construct_
218-24 _or operate a water or wastewater system or component of a
system_
218-25 _sponsored by a political subdivision, as defined by Section
15.001,_
218-26 _Water Code, which is certified by the Texas Natural Resource_
219-1 _Conservation Commission as providing regional water or
wastewater_
219-2 _service; and_
219-3 _ (6) equipment, services, or supplies used to
construct_
219-4 _or operate a water supply or wastewater system by a private
entity_
219-5 _as a public-private partnership, as certified by the political_

219-6 _subdivision, as defined by Section 15.001, Water Code, that is
a
219-7 _party to the project._
219-8 ARTICLE 5. JOINT COMMITTEE ON WATER RESOURCES
219-9 SECTION 5.01. In this article, "committee" means the joint
219-10 committee on water resources.
219-11 SECTION 5.02. The committee shall conduct an interim
study
219-12 and make recommendations regarding:
219-13 (1) increasing the efficient use of existing water
219-14 resources;
219-15 (2) developing sufficient long-term water financing
219-16 strategies;
219-17 (3) improving existing water conveyance systems;
219-18 (4) water marketing;
219-19 (5) determining the appropriate role of
environmental
219-20 and wildlife concerns in water permitting and water development;
219-21 and
219-22 (6) protection of the natural condition of beds and
219-23 banks of the state-owned watercourses.
219-24 SECTION 5.03. The committee is composed of six members as
219-25 follows:
219-26 (1) the chair of the Senate Committee on Natural
220-1 Resources and the chair of the House Committee on Natural
220-2 Resources;
220-3 (2) two members of the senate appointed by the
220-4 lieutenant governor; and
220-5 (3) two members of the house of representatives
220-6 appointed by the speaker of the house of representatives.
220-7 SECTION 5.04. The committee shall:
220-8 (1) meet at least annually with the Texas Natural
220-9 Resource Conservation Commission and the Texas Water Development
220-10 Board; and
220-11 (2) receive information relating to:
220-12 (A) encouraging the effective development of
220-13 water marketing and water movement;
220-14 (B) prioritizing the use of state funds for
220-15 financing the development and conservation of water resources;
and
220-16 (C) identifying reasonable mechanisms,
including
220-17 measures for encouraging donation of water rights, for
protecting
220-18 instream uses.
220-19 SECTION 5.05. Not later than November 1, 2002, the
committee
220-20 shall make a final report to the lieutenant governor, the
speaker
220-21 of the house of representatives, and the 78th Legislature
220-22 evaluating the issues described in Section 5.02 of this article.
220-23 SECTION 5.06. The committee has the authority necessary
to

220-24 perform its duties and, in connection with those duties, may
call
220-25 and hold hearings.
220-26 SECTION 5.07. The committee may request the assistance of
221-1 state agencies, departments, or offices to carry out its duties.
221-2 SECTION 5.08. The Senate Committee on Natural Resources
and
221-3 the House Committee on Natural Resources shall provide staff to
the
221-4 committee.
221-5 SECTION 5.09. The committee shall submit a proposed budget
221-6 to the appropriate committee on administration in each house of
the
221-7 legislature. The administration committees shall jointly approve
221-8 the committee budget in an amount appropriate for the committee
to
221-9 accomplish its duties under this article.
221-10 SECTION 5.10. The committee may travel around the state
and
221-11 hold hearings or public meetings as needed to fulfill its duties
221-12 under this article.
221-13 SECTION 5.11. This article expires and the committee is
221-14 abolished on January 1, 2003.
221-15 ARTICLE 6. RULEMAKING PROCEDURES FOR THE EDWARDS
221-16 AQUIFER AUTHORITY
221-17 SECTION 6.01. Chapter 626, Acts of the 73rd Legislature,
221-18 Regular Session, 1993, is amended by adding Section 1.115 to
read
221-19 as follows:
221-20 _Sec. 1.115. RULEMAKING PROCEDURES. (a) The authority
shall_
221-21 _comply with the procedures provided by this section in
adopting_
221-22 _rules._
221-23 _ (b) The authority shall provide, by using the United
States_
221-24 _mail, notice of a proposed rule to all applicants and permit_
221-25 _holders. The authority shall publish in a newspaper of
general_
221-26 _circulation within the boundaries of the authority notice of a_
222-1 _public hearing on a proposed rule at least 14 days before the
date_
222-2 _of the public hearing on the rule. The notice must include:_
222-3 _ (1) the date, time, and place of the public
hearing;_
222-4 _ (2) a statement of the general subject matter of
the_
222-5 _proposed rule;_
222-6 _ (3) the procedures for obtaining copies of the_
222-7 _proposed rule and for submitting comments; and_
222-8 _ (4) the deadline for submitting comments._
222-9 _ (c) The board shall allow at least 45 days for comment on
a_
222-10 _proposed rule, other than an emergency rule, before the board_

222-11 _adopts the rule. The board shall consider all written comments
and_
222-12 _shall, in the order adopting the rule, state the reasons and_
222-13 _justification for the rule and the authority's responses to
the_
222-14 _written comments._
222-15 _ (d) The meeting at which a proposed rule is adopted as
a_
222-16 _final rule must be an open meeting, and the public must be
allowed_
222-17 _to make comments on the proposed rule and the agency responses.
A_
222-18 _proposed rule becomes final and effective on the 10th day after
the_
222-19 _date the rule is adopted by the board._
222-20 _ (e) Notwithstanding Subsections (b)-(d) of this section,
the_
222-21 _board may adopt emergency rules in anticipation of imminent
harm to_
222-22 _human health, safety, or welfare, or if compliance with the_
222-23 _procedures provided in Subsections (b)-(d) of this section
would_
222-24 _prevent an effective response to emergency aquifer or
springflow_
222-25 _conditions. The board may adopt emergency rules five days
after_
222-26 _providing public notice. Emergency rules are effective
immediately_
223-1 _on adoption for a period of 120 days and may be renewed once
for_
223-2 _not more than 60 days._
223-3 _ (f) Subsections (b)-(d) of this section do not apply to
the_
223-4 _adoption of bylaws or internal procedures of the board and_
223-5 _authority._
223-6 SECTION 6.02. Section 1.15, Chapter 626, Acts of the 73rd
223-7 Legislature, Regular Session, 1993, is amended by adding
223-8 Subsections (e) and (f) to read as follows:
223-9 _ (e) The authority shall conduct a contested case hearing
on_
223-10 _a permit application if a person with a personal justiciable_
223-11 _interest related to the application requests a hearing on the_
223-12 _application._
223-13 _ (f) The authority shall adopt rules establishing
procedures_
223-14 _for contested case hearings consistent with Subchapters C, D,
and_
223-15 _F, Chapter 2001, Government Code._
223-16 SECTION 6.03. Subsection (h), Section 1.11, and
Subsection
223-17 (e), Section 1.41, Chapter 626, Acts of the 73rd Legislature,
223-18 Regular Session, 1993, are repealed.
223-19 SECTION 6.04. A rule adopted by the Edwards Aquifer

223-20 Authority before the effective date of this Act remains in
effect
223-21 until repealed, amended, or readopted. Nothing contained in
this
223-22 article shall be construed as repealing the applicability of the
223-23 open meetings law, Chapter 551, Government Code, or the public
223-24 information law, Chapter 552, Government Code, to the Edwards
223-25 Aquifer Authority.
223-26 SECTION 6.05. The rules in 31 T.A.C. Part 20 shall
continue
224-1 in effect until replaced by rules adopted pursuant to this
article.
224-2 The secretary of state shall delete 31 T.A.C. Part 20.
224-3 ARTICLE 7. LIMITED LIABILITY FOR AQUATIC HERBICIDE APPLICATION
224-4 SECTION 7.01. Subchapter B, Chapter 26, Water Code, is
224-5 amended by adding Section 26.050 to read as follows:
224-6 Sec. 26.050. LIMITED LIABILITY FOR AQUATIC HERBICIDE
224-7 APPLICATION. (a) In this section, "commercially licensed
aquatic
224-8 herbicide applicator" means a person who holds a commercial
224-9 applicator license issued by the Department of Agriculture
under
224-10 Chapter 76, Agriculture Code, to apply aquatic herbicides.
224-11 (b) Except as provided by Chapter 12, Parks and
Wildlife
224-12 Code, a commercially licensed aquatic herbicide applicator
working
224-13 under contract with a river authority organized pursuant to
Section
224-14 59, Article XVI, Texas Constitution, is not liable for damages
in
224-15 excess of \$2 million for each occurrence of personal injury,
224-16 property damage, or death resulting directly or indirectly from
the
224-17 application of aquatic herbicide in compliance with such
contract,
224-18 applicable law, and the license terms or permit.
224-19 (c) The control and elimination of noxious weeds,
grasses,
224-20 and vegetation in the rivers, tributaries, impoundments, and
224-21 reservoirs of the state through the application by river
224-22 authorities or their agents, employees, or contractors, in
224-23 compliance with applicable law, licenses, and permits, of
aquatic
224-24 herbicides are essential governmental functions, and except to
the
224-25 extent provided in Chapter 101, Civil Practice and Remedies
Code,
224-26 nothing herein shall be deemed or construed to waive, limit,
or
225-1 restrict the governmental immunity of river authorities in the
225-2 performance of such governmental functions.
225-3 (d) The limited liability provided by this section does
not

225-4 _apply to a commercially licensed aquatic herbicide applicator
if
225-5 _the applicator uses the wrong aquatic herbicide, fails to
follow
225-6 _manufacturers' warnings, instructions, and directions for the_
225-7 _application of the aquatic herbicide, fails to follow the_
225-8 _directions of the river authority concerning the application of
the_
225-9 _aquatic herbicide, or applies the aquatic herbicide in a manner_
225-10 _that violates federal or state law, rules, or regulations._
225-11 ARTICLE 8. CONCENTRATED ANIMAL FEEDING OPERATIONS
225-12 SECTION 8.01. Section 26.0286, Water Code, is amended to
225-13 read as follows:
225-14 Sec. 26.0286. PROCEDURES APPLICABLE TO PERMITS FOR
CERTAIN
225-15 CONCENTRATED ANIMAL FEEDING OPERATIONS. (a) In this section:_
225-16 _ (1) "Sole-source_[, "sole-source] surface drinking
225-17 water supply" means a body of surface water that[:]
225-18 [(1)] is designated as a _sole-source surface
drinking_
225-19 [public] water supply in rules adopted by the commission [under
225-20 Section 26.023; and]
225-21 [(2) is the single source of supply of a public
water
225-22 supply system, exclusive of emergency water interconnections].
225-23 _ (2) "Protection zone" means an area so designated
by_
225-24 _commission rule under Subsection (c)._
225-25 (b) The commission shall process an application for
225-26 authorization to construct or operate a concentrated animal
feeding
226-1 operation as a specific permit under Section 26.028 subject to
the
226-2 procedures provided by Subchapter M, Chapter 5, if_, on the date
the_
226-3 _commission determines that the application is administratively_
226-4 _complete, any part of a pen, lot, pond, or other type of control
or_
226-5 _retention facility or structure of_ the concentrated animal
feeding
226-6 operation is located or proposed to be located _within the_
226-7 _protection zone of a sole-source surface drinking water supply._
226-8 _For the purposes of this subsection, a land application area is
not_
226-9 _considered a control or retention facility_[:]
226-10 [(1) in the watershed of a sole-source surface
226-11 drinking water supply; and]
226-12 [(2) sufficiently close, as determined by the
226-13 commission by rule, to an intake of a public water supply system
in
226-14 the sole-source surface drinking water supply that contaminants
226-15 discharged from the concentrated animal feeding operation could
226-16 potentially affect the public drinking water supply].

226-17 (c) For the purposes of this section only, the
commission by_
226-18 rule shall designate a surface water body as a sole-source
surface_
226-19 drinking water supply if that surface water body is identified
as a_
226-20 public water supply in rules adopted by the commission under_
226-21 Section 26.023 and is the sole source of supply of a public
water_
226-22 supply system, exclusive of emergency water connections. At
the_
226-23 same time, the commission shall designate as a protection zone
any_
226-24 area within the watershed of a sole-source surface drinking
water_
226-25 supply that is:_
226-26 (1) within two miles of the normal pool elevation
of a_
227-1 body of surface water that is a sole-source surface drinking
water_
227-2 supply;_
227-3 (2) within two miles of that part of a perennial_
227-4 stream that is:_
227-5 (A) a tributary of a sole-source surface_
227-6 drinking water supply; and_
227-7 (B) within three linear miles upstream of
the_
227-8 normal pool elevation of a sole-source surface drinking water_
227-9 supply; or_
227-10 (3) within two miles of that part of a stream that
is_
227-11 a sole-source surface drinking water supply, extending three
linear_
227-12 miles upstream from the water supply intake._
227-13 SECTION 8.02. Not later than the 45th day after the
227-14 effective date of this Act, the Texas Natural Resource
Conservation
227-15 Commission by order shall identify surface water bodies that are
227-16 considered "sole-source surface drinking water supplies" for
227-17 purposes of Subsection (b), Section 26.0286, Water Code, as
amended
227-18 by this Act, and shall designate the protection zones for those
227-19 identified water bodies. The order expires on the date on which
227-20 the commission adopts final rules under Subsection (c), Section
227-21 26.0286, Water Code, as added by this Act.
227-22 ARTICLE 9. REVOCATION OF CERTIFICATE OF PUBLIC UTILITY
227-23 SECTION 9.01. Subchapter G, Chapter 13, Water Code, is
227-24 amended by adding Section 13.2541 to read as follows:
227-25 Sec. 13.2541. REVOCATION OF CERTIFICATE WHEN SERVICE_
227-26 PROVIDED TO A MUNICIPALITY. (a) This section applies only to
a_
228-1 municipality with a population of more than 1.3 million._
228-2 (b) On request of a municipality served by a public
utility, _

228-3 _the commission at any time after notice and hearing may revoke
the_
228-4 _public utility's certificate of public convenience and necessity
if_
228-5 _it finds that the public utility:_
228-6 _ (1) has never provided, is no longer providing, or
has_
228-7 _failed to provide continuous and adequate service in the_
228-8 _municipality requesting the revocation; or_
228-9 _ (2) has been grossly or continuously mismanaged or
has_
228-10 _grossly or continuously not complied with this chapter,
commission_
228-11 _rules, or commission orders._
228-12 _ (c) If the certificate of a public utility is revoked
under_
228-13 _Subsection (b), the municipality that requested the revocation_
228-14 _shall operate the decertified public utility for an interim
period_
228-15 _prescribed by commission rule and shall request commission
approval_
228-16 _to acquire the decertified public utility's facilities and to_
228-17 _transfer the decertified public utility's certificate of_
228-18 _convenience and necessity to the municipality. The
municipality_
228-19 _must apply in accordance with Subchapter H._
228-20 _ (d) The compensation paid to the decertified public
utility_
228-21 _for its facilities shall be determined by a qualified
individual or_
228-22 _firm serving as independent appraiser agreed upon by the_
228-23 _decertified public utility and the municipality. The
determination_
228-24 _of compensation by the independent appraiser shall be binding
on_
228-25 _the commission. The municipality shall pay the costs of the_
228-26 _independent appraiser. For the purpose of implementing this_
229-1 _section, the value of real property shall be determined
according_
229-2 _to the standards prescribed by Chapter 21, Property Code,
governing_
229-3 _actions in eminent domain._
229-4 _ (e) The commission shall determine whether the
municipality_
229-5 _shall pay the compensation in a lump sum or over a specified_
229-6 _period._
229-7 ARTICLE 10. WATER UTILITY SYSTEMS
229-8 SECTION 10.01. Section 13.137, Water Code, is amended to
229-9 read as follows:
229-10 Sec. 13.137. OFFICE _AND OTHER BUSINESS LOCATIONS_ OF
UTILITY;
229-11 RECORDS; REMOVAL FROM STATE. (a) Every utility shall:_
229-12 _ (1) make available and notify its customers of a_

229-13 _business location where its customers may make payments to
prevent_
229-14 _disconnection of or to restore service:_
229-15 _ (A) in each county in which the utility
provides_
229-16 _service; or_
229-17 _ (B) not more than 20 miles from the
residence of_
229-18 _any residential customer if there is no location to receive_
229-19 _payments in the county; and_
229-20 _ (2) _ have an office in a county of this state or
in the
229-21 immediate area in which its property or some part of its
property
229-22 is located in which it shall keep all books, accounts, records,
and
229-23 memoranda required by the commission to be kept in this state.
229-24 (b) _The commission by rule may provide for waiving the_
229-25 _requirements of Subsection (a)(1) for a utility for which
meeting_
229-26 _those requirements would cause a rate increase or otherwise
harm or_
230-1 _inconvenience customers. The rules must provide for an
additional_
230-2 _14 days to be given for a customer to pay before a utility that
is_
230-3 _granted a waiver may disconnect service for late payment._
230-4 _ (c) _ Books, accounts, records, or memoranda required by
the
230-5 regulatory authority to be kept in the state may not be removed
230-6 from the state, except on conditions prescribed by the
commission.
230-7 SECTION 10.02. Section 13.144, Water Code, is amended to
230-8 read as follows:
230-9 Sec. 13.144. NOTICE OF WHOLESALE WATER SUPPLY CONTRACT. A
230-10 district or authority created under Section 52, Article III, or
230-11 Section 59, Article XVI, Texas Constitution, a retail public
230-12 utility, a wholesale water service, or other person providing a
230-13 retail public utility with a wholesale water supply shall
provide
230-14 the commission with a certified copy of any wholesale water
supply
230-15 contract with a retail public utility within 30 days after the
date
230-16 of the execution of the contract. The submission must include
the
230-17 amount of water being supplied, term of the contract,
consideration
230-18 being given for the water, purpose of use, location of use,
source
230-19 of supply, point of delivery, limitations on the reuse of water,
a
230-20 _disclosure of any affiliated interest between the parties to
the_

230-21 _contract, and any other condition or agreement relating to the
230-22 contract.
230-23 SECTION 10.03. Subchapter E, Chapter 13, Water Code, is
230-24 amended by adding Section 13.145 to read as follows:
230-25 _Sec. 13.145. MULTIPLE SYSTEMS CONSOLIDATED UNDER TARIFF.
A
230-26 _utility may consolidate more than one system under a single
tariff
231-1 _only if:
231-2 (1) the systems under the tariff are substantially
231-3 similar in terms of facilities, quality of service, and cost of
231-4 service; and
231-5 (2) the tariff provides for rates that promote
water
231-6 conservation for single-family residences and landscape
irrigation.
231-7 SECTION 10.04. Section 13.182, Water Code, is amended to
231-8 read as follows:
231-9 Sec. 13.182. JUST AND REASONABLE RATES. (a) The
regulatory
231-10 authority shall ensure that every rate made, demanded, or
received
231-11 by any utility or by any two or more utilities jointly shall be
231-12 just and reasonable.
231-13 (b) Rates shall not be unreasonably preferential,
231-14 prejudicial, or discriminatory but shall be sufficient,
equitable,
231-15 and consistent in application to each class of consumers.
231-16 (c) For ratemaking purposes, the commission may treat
two or
231-17 more municipalities served by a utility as a single class
wherever
231-18 the commission considers that treatment to be appropriate.
231-19 (d) The commission by rule shall establish a preference
that
231-20 rates under a consolidated tariff be consolidated by region.
The
231-21 regions under consolidated tariffs must be determined on a
231-22 case-by-case basis.
231-23 SECTION 10.05. Section 13.183, Water Code, is amended by
231-24 amending Subsection (c) and adding Subsections (d) and (e) to
read
231-25 as follows:
231-26 (c) To ensure that retail customers receive a higher
232-1 quality, more affordable, or more reliable water or sewer
service,
232-2 to encourage regionalization, or to maintain financially stable
and
232-3 technically sound utilities, the regulatory authority, by rule
or
232-4 ordinance, as appropriate, may adopt specific alternative
232-5 ratemaking [may develop] methodologies for water or sewer rates
232-6 based on factors other than rate of return and those specified in

232-7 Section 13.185. Overall revenues determined _according_
[pursuant]
232-8 to an _alternative ratemaking_ [alternate] methodology _adopted_
232-9 [developed] under this section must provide revenues to the
utility
232-10 that satisfy the requirements of Subsection (a). _The
regulatory_
232-11 _authority may not approve rates under an alternative
ratemaking_
232-12 _methodology unless the regulatory authority adopts the
methodology_
232-13 _before the date the rate application was administratively
complete._
232-14 _ (d) A regulatory authority other than the commission may
not_
232-15 _approve an acquisition adjustment for a system purchased before
the_
232-16 _effective date of an ordinance authorizing acquisition
adjustments._
232-17 _ (e) In determining to use _an alternative ratemaking_
232-18 _methodology_ [alternate ratemaking methodologies], the
regulatory
232-19 authority shall assure that rates, operations, and services are
232-20 just and reasonable to the consumers and to the utilities.
232-21 SECTION 10.06. Section 13.187, Water Code, is amended to
232-22 read as follows:
232-23 Sec. 13.187. STATEMENT OF INTENT TO CHANGE RATES;
HEARING;
232-24 DETERMINATION OF RATE LEVEL. (a) A utility may not make
changes
232-25 in its rates except by delivering a statement of intent to each
232-26 ratepayer and with the regulatory authority having original
233-1 jurisdiction at least _60_ [30] days before the effective date of
the
233-2 proposed change. The effective date of the new rates must be the
233-3 first day of a billing period, and the new rates may not apply to
233-4 service received before the effective date of the new rates. The
233-5 statement of intent must include:_
233-6 _ (1) the information required by the regulatory
233-7 authority's rules;_
233-8 _ (2) a billing comparison regarding the existing
water_
233-9 _rate and the new water rate computed for the use of:_
233-10 _ (A) 10,000 gallons of water; and_
233-11 _ (B) 30,000 gallons of water; and_
233-12 _ (3) a billing comparison regarding the existing
sewer_
233-13 _rate and the new sewer rate computed for the use of 10,000
gallons,_
233-14 _unless the utility proposes a flat rate for sewer services_.
233-15 _ (b) A copy of the statement of intent shall be mailed
or
233-16 delivered to the appropriate offices of each affected
municipality,

233-17 and to any other affected persons as required by the regulatory
233-18 authority's rules.
233-19 _(c)_ When the statement of intent is delivered, the
utility
233-20 shall file with the regulatory authority an application to
change
233-21 rates. The application must include information the regulatory
233-22 authority requires by rule. If the utility fails to provide
within
233-23 a reasonable time after the application is filed the necessary
233-24 documentation or other evidence that supports the costs and
233-25 expenses that are shown in the application, the regulatory
233-26 authority may disallow the nonsupported expenses.

234-1 _(d)_ If the application or the statement of intent is not
234-2 substantially complete or does not comply with the regulatory
234-3 authority's rules, it may be rejected and the effective date of
the
234-4 rate change may be suspended until a properly completed
application
234-5 is accepted by the regulatory authority and a proper statement of
234-6 intent is provided. The commission may also suspend the
effective
234-7 date of any rate change if the utility does not have a
certificate
234-8 of public convenience and necessity or a completed application
for
234-9 a certificate or to transfer a certificate pending before the
234-10 commission or if the utility is delinquent in paying the
assessment
234-11 and any applicable penalties or interest required by Section
234-12 5.235(n) of this code.

234-13 _(e)_ [(b)] If, _before the 91st day_ [within 60 days]
after the
234-14 effective date of the rate change, the regulatory authority
234-15 receives a complaint from any affected municipality, or from the
234-16 lesser of 1,000 or 10 percent of the ratepayers of the utility
over
234-17 whose rates the regulatory authority has original jurisdiction,
the
234-18 regulatory authority shall set the matter for hearing.

234-19 _(f)_ The regulatory authority may set the matter for
hearing
234-20 on its own motion at any time within 120 days after the
effective
234-21 date of the rate change. If more than half of the ratepayers of
234-22 the utility receive service in a county with a population of
more
234-23 than 2.5 million, the hearing must be held at a location in that
234-24 county.

234-25 _(g)_ The hearing may be informal.
234-26 _(h)_ If, after hearing, the regulatory authority finds
the
235-1 rates currently being charged or those proposed to be charged are

235-2 unreasonable or in violation of law, the regulatory authority
shall
235-3 determine the rates to be charged by the utility and shall fix
the
235-4 rates by order served on the utility.
235-5 _(i)_ [(c)] The regulatory authority, pending final action
in
235-6 a rate proceeding, may order the utility to deposit all or part
of
235-7 the rate increase received or to be received into an escrow
account
235-8 with a financial institution approved by the regulatory
authority.
235-9 Unless otherwise agreed to by the parties to the rate proceeding,
235-10 the utility shall refund or credit against future bills all sums
235-11 collected during the pendency of the rate proceeding in excess
of
235-12 the rate finally ordered plus interest as determined by the
235-13 regulatory authority.
235-14 _(j)_ For good cause shown, the regulatory authority may
235-15 authorize the release of funds to the utility from the escrow
235-16 account during the pendency of the proceeding.
235-17 _(k)_ If the regulatory authority receives at least the
number_
235-18 _of complaints from ratepayers required for the regulatory
authority_
235-19 _to set a hearing under Subsection (e), the regulatory
authority_
235-20 _may, pending the hearing and a decision, suspend the date the
rate_
235-21 _change would otherwise be effective. The proposed rate may not
be_
235-22 _suspended for longer than:_
235-23 _(1)_ 90 days by a local regulatory authority; or_
235-24 _(2)_ 150 days by the commission._
235-25 _(l)_ At any time during the pendency of the rate
proceeding
235-26 the regulatory authority may fix interim rates to remain in
effect
236-1 until a final determination is made _on the proposed rate_.
236-2 _(m)_ If the regulatory authority sets a final rate that
is
236-3 higher than the interim rate, the utility shall be allowed to
236-4 collect the difference between the interim rate and final rate
236-5 unless otherwise agreed to by the parties to the rate proceeding.
236-6 _(n)_ For good cause shown, the regulatory authority may
at_
236-7 _any time during the proceeding require the utility to refund
money_
236-8 _collected under a proposed rate before the rate was suspended or
an_
236-9 _interim rate was established to the extent the proposed rate_
236-10 _exceeds the existing rate or the interim rate._
236-11 _(o)_ If _a_ [the] regulatory authority _other than the_

236-12 _commission_ establishes interim rates or an escrow account, the
236-13 regulatory authority must make a final determination on the
rates
236-14 _not later than the first anniversary of_ [within 335 days
after] the
236-15 effective date of the interim rates or escrowed rates or the
rates
236-16 are automatically approved as requested by the utility.
236-17 _ (p) [(d)] Except to implement a rate adjustment
provision

236-18 approved by the regulatory authority by rule or ordinance, as
236-19 applicable, or to adjust the rates of a newly acquired utility
236-20 system, a utility or two or more utilities under common control
and
236-21 ownership may not file a statement of intent to increase its
rates
236-22 more than once in a 12-month period, unless the regulatory
236-23 authority determines that a financial hardship exists. If the
236-24 regulatory authority requires the utility to deliver a corrected
236-25 statement of intent, the utility is not considered to be in
236-26 violation of the 12-month filing requirement.

237-1 SECTION 10.07. Subchapter I, Chapter 13, Water Code, is
237-2 amended by adding Section 13.343 to read as follows:

237-3 _Sec. 13.343. WHOLESALE WATER CONTRACTS BETWEEN CERTAIN_
237-4 _AFFILIATES. (a) The owner of a utility that supplies retail
water_

237-5 _service may not contract to purchase from an affiliated
supplier_

237-6 _wholesale water service for any of that owner's systems unless:_

237-7 _ (1) the wholesale service is provided for not more_

237-8 _than 90 days to remedy an emergency condition, as defined by_

237-9 _commission rule; or_

237-10 _ (2) the executive director determines that the
utility_

237-11 _cannot obtain wholesale water service from another source at a_

237-12 _lower cost than from the affiliate._

237-13 _ (b) The utility may not purchase groundwater from any_

237-14 _provider if:_

237-15 _ (1) the source of the groundwater is located in a_

237-16 _priority groundwater management area; and_

237-17 _ (2) a wholesale supply of surface water is
available._

237-18 SECTION 10.08. (a) The changes in law made by this
article

237-19 to Chapter 13, Water Code, apply to a proceeding in which the
Texas

237-20 Natural Resource Conservation Commission has not issued a final

237-21 order before the effective date of this article; provided,

however,

237-22 that this article does not apply to a retail public utility for

237-23 which a final order in any rate proceeding has been issued by

the

237-24 Texas Natural Resource Conservation Commission prior to January

1,

237-25 2001, as long as that retail public utility is the same as,
237-26 controlled by, or an affiliate of the retail public utility for
238-1 which a final order was issued prior to January 1, 2001. This
238-2 subsection shall not be construed to permit a public utility to
238-3 increase rates without obtaining the approval of the Texas

Natural

238-4 Resource Conservation Commission.

238-5 (b) Section 13.343, Water Code, as added by this article,
238-6 does not apply to a contract executed before the effective date
of

238-7 this article. A contract executed before the effective date of
238-8 this article is governed by the law in effect on the date it was
238-9 executed, and that law is continued in effect for that purpose.

238-10 ARTICLE 11. MISCELLANEOUS PROVISIONS

238-11 SECTION 11.01. Section 26.177, Water Code, is amended by
238-12 adding Subsection (h) to read as follows:

238-13 (h) Property subject to a permit or plat in the_
238-14 extraterritorial jurisdiction of a municipality may not be_
238-15 subjected to new or additional water pollution regulations if

the_

238-16 property is transferred to another municipality's

extraterritorial_

238-17 jurisdiction, and all provisions of Chapter 245, Local

Government_

238-18 Code, shall apply to the property. If the release of_

238-19 extraterritorial jurisdiction for the purpose of transferring
it to_

238-20 another municipality results in property not being subject to
any_

238-21 municipality's water pollution regulations on the date of

release,_

238-22 the releasing municipality retains its jurisdiction to enforce
its_

238-23 water pollution regulations until the property is included in
the_

238-24 extraterritorial jurisdiction of the receiving municipality._

238-25 SECTION 11.02. Section 26.359, Water Code, is amended to
238-26 read as follows:

239-1 Sec. 26.359. LOCAL REGULATION OR ORDINANCE. (a) In
this_

239-2 section, "local government" means a school district, county,_
239-3 municipality, junior college district, river authority, water_

239-4 district or other special district, or other political
subdivision_

239-5 created under the constitution or a statute of this state._

239-6 (b) A_ [This subchapter establishes a unified statewide
239-7 program for underground and surface water protection, and any

239-8 local] regulation or ordinance _adopted by a local government
that_

239-9 imposes standards_ [is effective only to the extent the
regulation

239-10 or ordinance does not conflict with the standards adopted] for
the

239-11 design, construction, installation, or operation of underground

239-12 storage tanks is not valid [under this subchapter].
239-13 (c) This section does not apply to a rule adopted by
the
239-14 Edwards Aquifer Authority, or to a regulation or ordinance in
239-15 effect as of January 1, 2001, or thereafter amended.
239-16 SECTION 11.03. (a) Section 27.051, Water Code, is
amended
239-17 by adding Subsection (h) to read as follows:
239-18 (h) The commission may not authorize by rule or permit
an
239-19 injection well that transects or terminates in the Edwards
Aquifer.
239-20 The commission by rule may authorize injection of groundwater
239-21 withdrawn from the Edwards Aquifer, or injections of storm
water,
239-22 flood water, or groundwater through improved sinkholes or
caves
239-23 located in karst topographic areas. For purposes of this
239-24 subsection, "Edwards Aquifer" has the meaning assigned by
Section
239-25 26.046(a).
239-26 (b) The change in law made by Subsection (h), Section
240-1 27.051, Water Code, as added by this section, applies only to an
240-2 application for a permit that is filed with the Texas Natural
240-3 Resource Conservation Commission on or after September 1, 2001.
240-4 SECTION 11.04. Section 36.121, Water Code, is amended to
240-5 read as follows:
240-6 Sec. 36.121. LIMITATION ON RULEMAKING POWER OF DISTRICTS
240-7 OVER WELLS IN CERTAIN COUNTIES. Except as provided by Section
240-8 36.117, a district that is created under this chapter on or after
240-9 September 1, 1991, shall exempt from regulation under this
chapter
240-10 a well and any water produced or to be produced by a well that
is
240-11 located in a county that has a population of 14,000 or less if
the
240-12 water is to be used solely to supply a municipality that has a
240-13 population of 121,000 [115,000] or less and the rights to the
water
240-14 produced from the well are owned by a political subdivision that
is
240-15 not a municipality, or by a municipality that has a population
of
240-16 100,000 [93,000] or less, and that purchased, owned, or held
rights
240-17 to the water before the date on which the district was created,
240-18 regardless of the date the well is drilled or the water is
240-19 produced. The district may not prohibit the political
subdivision
240-20 or municipality from transporting produced water inside or
outside
240-21 the district's boundaries.
240-22 ARTICLE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

240-23 SECTION 12.01. Subsection (a), Section 4.06, Chapter
1029,
240-24 Acts of the 76th Legislature, Regular Session, 1999, is amended
to
240-25 read as follows:
240-26 (a) The authority may:
241-1 (1) acquire and provide by purchase, gift, [or]
lease, _
241-2 _contract, or any other legal means, _ a water treatment or supply
241-3 system, _ or any other works, plants, improvements, or facilities _
241-4 _necessary or convenient to accomplish the purposes of the _
241-5 _authority, or any interest in those assets, _ inside of or
outside of
241-6 the authority's boundaries;
241-7 (2) design, finance, or construct a water treatment
or
241-8 supply system, _ or any other supply systems, or any other works, _
241-9 _plants, improvements, or facilities necessary or convenient to _
241-10 _accomplish the purposes of the authority, _ and provide water _
241-11 services inside of or outside of the authority's boundaries;
241-12 (3) _maintain, _ operate, lease, or sell a water
241-13 treatment or supply system, _ or any other works, plants, _
241-14 _improvements, or facilities necessary or convenient to
accomplish
241-15 _the purposes of the authority, that _ the authority constructs
or
241-16 acquires _inside of or outside of the authority's boundaries _;
and
241-17 (4) contract with any person to operate or maintain
a
241-18 water treatment or supply system the person owns.
241-19 ARTICLE 13. REPORTS; REPEALER; TRANSITION; VALIDATION;
241-20 EFFECTIVE DATE
241-21 SECTION 13.01. BOARD STUDY AND REPORT ON FINANCING WATER
241-22 INFRASTRUCTURE PROJECTS. The Texas Water Development Board
shall
241-23 consider the reports submitted by the regional planning groups
241-24 under Subsection (q), Section 16.053, Water Code, as added by
this
241-25 Act, relating to financing water infrastructure projects and
shall
241-26 consult with potentially impacted groups and other interested
242-1 persons regarding the information reported and the
recommendations
242-2 made by the regional planning groups. Not later than October 1,
242-3 2002, the board shall submit to the legislature a report
consisting
242-4 of the regional planning groups' reports and the board's analysis
242-5 of and recommendations regarding those reports.
242-6 SECTION 13.02. REPEALER. Sections 35.005 and 35.006,
Water
242-7 Code, are repealed.
242-8 SECTION 13.03. TRANSITIONS. (a) The changes in law made
by

242-9 this Act by amending Section 17.895, Water Code, and adding
Section
242-10 17.8955, Water Code, apply only to a conservation loan for which
an
242-11 application is filed on or after the effective date of this Act.
A
242-12 conservation loan for which an application was filed before the
242-13 effective date of this Act is governed by the law in effect
242-14 immediately before that date, and that law is continued in
effect
242-15 for that purpose.

242-16 (b) Not later than January 1, 2002, the Texas Water
242-17 Development Board shall adopt rules to administer Subchapter O,
242-18 Chapter 15, Water Code, as added by this Act, including rules
242-19 establishing procedures for applications for and the award of
242-20 financial assistance for water projects, for the investment of
242-21 funds, and for the administration of the water infrastructure
fund,
242-22 as created by this Act.

242-23 (c) Not later than January 1, 2002, the Texas Water
242-24 Development Board shall adopt rules to administer Subchapter P,
242-25 Chapter 15, Water Code, as added by this Act, including
242-26 establishing procedures for the application for and award of
loans,
243-1 the distribution of loans, the investment of funds, and the
243-2 administration of loans and the rural water assistance fund, as
243-3 created by this Act.

243-4 (d) Not later than January 1, 2002, the Texas Water
243-5 Development Board shall adopt rules requiring a holder of a
surface
243-6 water permit, certified filing, or certificate of adjudication
for
243-7 surface water, a holder of a permit for the export of groundwater
243-8 from a groundwater conservation district, a retail public water
243-9 supplier, a wholesale water provider, and an irrigation district
to
243-10 report to the board information on certain water pipelines and
243-11 other facilities that can be used for water conveyance.

243-12 (e) The changes in law made by this Act by amending
Sections
243-13 11.023 and 11.122, Water Code, shall not change the existing
243-14 priority of any industrial water right holder on the mainstem of
243-15 the Rio Grande below Amistad Reservoir who uses or supplies
water
243-16 to a nursery grower.

243-17 (f) If any changes made by this Act to Chapter 36, Water
243-18 Code, conflict with changes made to Chapter 36, Water Code, by
any
243-19 other Act passed by the 77th Legislature, Regular Session, 2001,
243-20 this Act shall prevail.

243-21 SECTION 13.04. FINDINGS RELATED TO PROCEDURAL
REQUIREMENTS.

243-22 (a) The proper and legal notice of the intention to introduce
this

Governor